

MIDDLE MANAGEMENT

MIDDLE MANAGEMENT

THE JOB OF THE
JUNIOR ADMINISTRATOR

BY
MARY CUSHING HOWARD NILES

CO-AUTHOR
"THE OFFICE SUPERVISOR, HIS RELATIONS
TO PERSONS AND TO WORK"

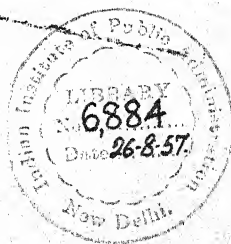
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PREFACE

THE character of leadership is the most important factor in the operation of an organization, whether it be in private business or in government, in America, in Europe, in Asia, or elsewhere. In any but a small organization, this leadership belongs not alone to top management but to the middle rank as well; and it must be integrative in order to use the growing specialization in our day. Coordination is the central problem of management and the junior administrators are key people in achieving it. Through them top management carries out its coordinative responsibilities. They affect and in turn are affected by the three-way movement of coordinative forces, upward, downward, and sideways throughout the organization.

Fourteen years ago my husband, Henry E. Niles, was discussing with me the problems of the junior administrator. He mentioned the whole layer of management which lies immediately below top management, and called it "middle management." I exclaimed, "That is the title of my book on the junior administrator!" Since the publication of this book in 1941, this term has come into common usage all over the world.

The first edition was born out of my experience as consultant in management in the office field, primarily in insurance companies in the United States and Canada, and was written with particular reference to business organizations having a considerable proportion of clerical work. Since the kind and character of problems dealt with are common to much of our contemporary life, this volume has turned out to be applicable in other kinds of private enterprise and in government agencies. My years since 1941 in the Federal Government have confirmed the view that government or-

ganizations have problems almost identical with those of many private organizations. In this revision I have mentioned government in only a few places, but government people will draw their own applications readily. The similarities are great. The differences consist in the absence of the profit motive, the far more explicit desire to serve the public, the determination of objectives and, to some extent, of means by legislative bodies, the necessity for watching the political effects, and perhaps most of all, the size and complexity of operations.

The usefulness of this book has far exceeded my expectations, not only in training within industry and government but also in formal teaching. Moreover, management people in India and in many countries of western Europe have found it applicable to their problems. The Japanese translation by Kuniyoshi Urabe in 1952 met with singular success, the first printing of 4,000 copies having been sold within two months of publication.

Revisions in this edition have reflected my own broader experience in the national and international management movement, particularly through work in the Society for the Advancement of Management. I have also been a part of an active laboratory in policy development called the Federal Personnel Council. In that organization the personnel directors of the Federal Government have framed and evaluated policies for the personnel responsibilities of the country's largest employer.

With a deepened sense of importance of policy, and of the preeminent role of top management, has come an intensified conviction of the significance of middle management through whom the channels of execution and suggestion flow. While my knowledge and application of scientific management have grown in these experiences, most of the new awarenesses have come in the rapidly developing field of human relations. In this development I have participated through helping to initiate meetings and discussions on human relations research and experience, and sharing in or-

ganizing and teaching the graduate course at American University on Human Relations in Management. These experiences have confirmed in my mind that management effectiveness results from equal emphasis on human relationships and on organizational and technical factors.

Since this book is written for businessmen and other practitioners of management rather than for scholars I have made relatively few references to management literature. I owe much to certain writers who have helped form the background of my thought and work: Henry S. Denison, M. P. Follett, H. P. Kendall, Harlow S. Person, Erwin H. Schell, Edgar W. Smith, Ordway Tead, Col. L. Urwick, and Robert B. Wolf. Particular mention is due to James D. Mooney and Alan C. Reiley, *Principles of Organization and Onward Industry!* (Harper & Brothers, New York, 1947 and 1931); to Chester I. Barnard, *The Functions of the Executive* (Harvard University Press, Cambridge, Massachusetts, 1938); to Henry C. Metcalf and L. Urwick, *Dynamic Administration, The Collected Papers of Mary Parker Follett* (Harper & Brothers, New York, 1942); to Henri Fayol, *Administration Industrielle et Générale* (Dunod, Paris, 1925); and to the series of volumes edited by Henry C. Metcalf, as well as to some of the papers given in the conferences of the Bureau of Personnel Administration. The reference files and published articles of the American Management Association and of the Society for the Advancement of Management, and particularly the back numbers of the Bulletins of the Taylor Society loaned by the Society, have proved a storehouse of material.

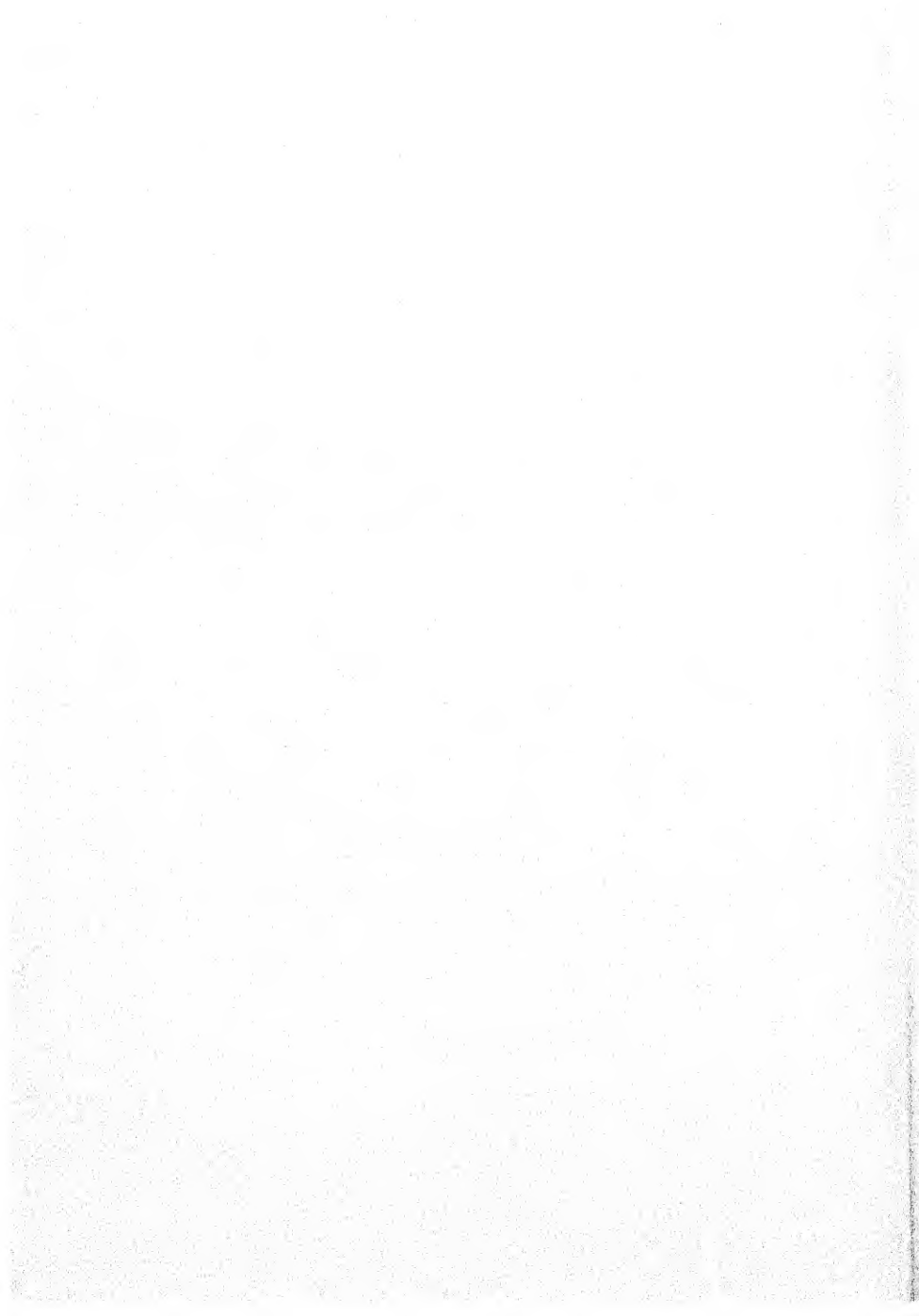
Many of the ideas in this book have arisen from thought and discussion with Henry E. Niles as we faced the problems of our economic society, of our clients, of his company, and of the government which he also served in wartime. For the second edition I owe much to the close association with my former chief, R. R. Zimmerman, when he was president of the Society for the Advancement of Management and Executive Assistant to the Chairman of the Federal

Personnel Council and then Administrative Assistant to the President of the United States on personnel matters (now in Management Development, Foreign Operations Administration); and to valued contacts with Professor Alexander H. Leighton, Cornell University; John W. Macmillan, for some time Chief, Human Resources Division, Office of Naval Research (now with J. D. Woods & Gordon, Ltd., Toronto); Dan M. Braum, Institute of Public Administration, University of the Philippines, Manila, formerly engaged in management training in the United States Government; and with scores of leaders in the Society for the Advancement of Management, in the Federal Personnel Council, and in management generally, in both government and industry.

The attitudes and ideals of many excellent senior and junior administrators are mirrored in these pages. Many illustrations have been drawn from personal observation, modified to conceal the identity of companies and of persons. Supervisors and clerks have contributed to my insight. Conversations on many phases of management have enriched my understanding. I wish particularly to express my appreciation to those junior administrators whose example and friendship have been an inspiration, notably A. G. Dalrymple and Joseph N. Lochemes.

MARY CUSHING H. NILES

MIDDLE MANAGEMENT



CHAPTER I

MIDDLE MANAGEMENT AND THE JUNIOR ADMINISTRATOR

MIDDLE management is the group of administrators immediately below top management. In every organization of several hundred or more persons, these administrators carry a heavy load of work and responsibility. They are subject to pressure from above by their chiefs in the top management with whose ideas, policies, and attitudes they must work; from below by the supervisors who press for counsel, decisions, and changes; and sideways by colleagues whose departments or functions are interrelated in greater or lesser degree with their own.

Little has been written about these men, yet they are vital to the conduct of a sizable organization. Top management has been emphasized by a number of writers; the importance of supervisors and foremen has been recognized increasingly, primarily because of the influence which they exert over the workers; and the proper handling of the rank and file has become the science and art of personnel administration. This book deals with the problems of the intermediate officers who in the conduct of their work deal with all of the other levels of rank and responsibility. These officers comprise middle management.

Middle management derives its responsibilities from the top management with which it is in fact closely bound up. The responsibility for the conduct of the business falls on the chief executive, working with a board of directors. He delegates much of his responsibility to senior administrative officers who with himself constitute the top management. These men are concerned with the relationships of the com-

pany or agency to the outside conditions of competition, cooperation and service, and also with the vital internal relationships of the organization. In government, a large part of this top management job is taken up with relationships to the legislature and the public (corresponding to the board of directors and the shareholders). Both in business and in government, top management has general responsibilities for the wise conducting of operations. In addition, each of these senior officers normally is charged with an important function, such as production, sales, or finance; and each has a wide range of activities with many contacts to make both inside and outside the organization, with information to digest, and with thinking and planning to do for both present and future. Therefore these men in turn delegate part of their management responsibilities to junior administrative officers whose main functions are to carry out the policies of top management, and to make a smoothly functioning organization. As shown in Figure 1, below them the organization is further divided into departments, divisions, and sections, each of which is headed by a supervisor who in some cases may himself have official rank.

The term "junior administrative officer" or "junior administrator" designates in this book an officer of intermediate rank who is charged with responsibility for administering a large department. The title does not cover officers who themselves have the direct responsibility for a major function of the business, such as production, sales, or finance. The junior administrator has subordinate supervisors reporting to him, usually from several divisions or sections. Typically he would supervise indirectly at least a hundred people, often many hundreds. For the sake of brevity, he is frequently referred to in this book as the "officer" when there is not likely to be confusion with any other type of official.

Officers of rank approximately equal to that of the senior or junior administrators often serve in a staff or advisory capacity. They do not themselves direct the work of a large

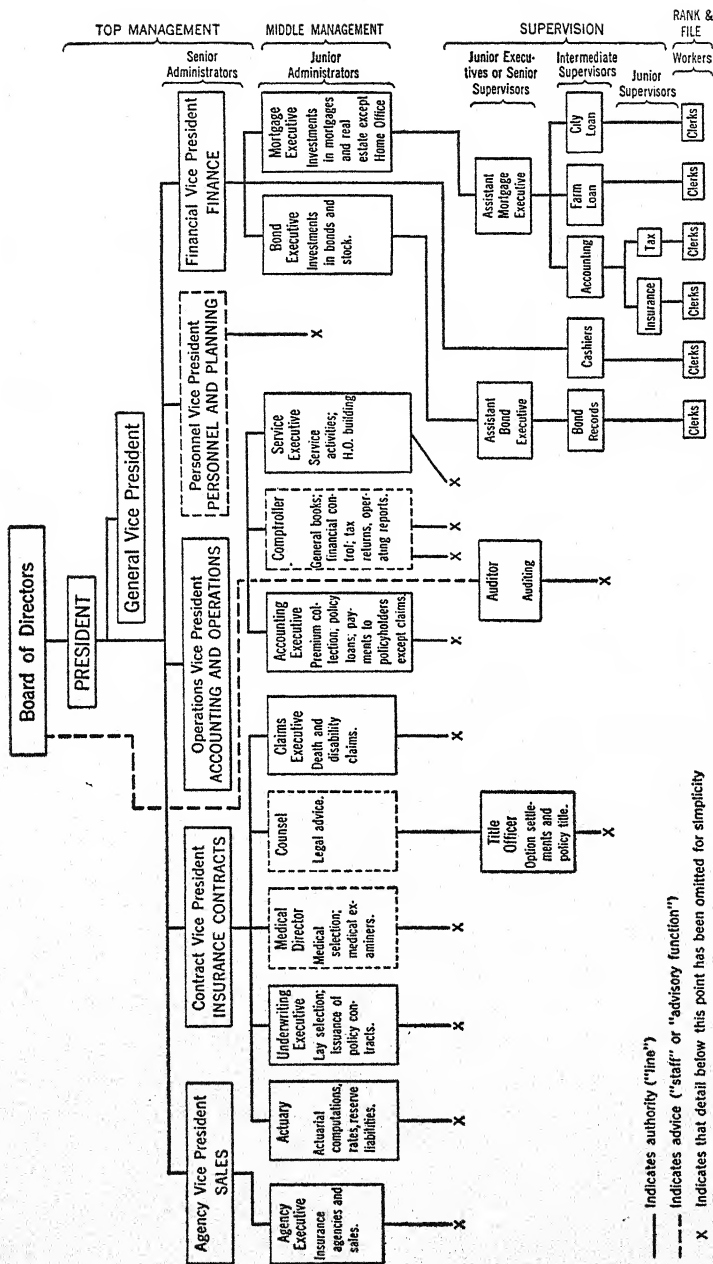


Figure 1.—THE PLACE OF MIDDLE MANAGEMENT IN A LIFE INSURANCE COMPANY

group of persons although they may be in charge of a small division. Some of these men belong to the broader group of middle management also and will be dealt with in this book from time to time, especially in considering problems of coordination.

Below the official rank there are three broad classes of people. First come the supervisors, or the division and section heads and their assistants, who direct the work of others. Second are the specialists in various subjects who may be of rank equal to or lower than the corresponding supervisors, and who in the nonofficial group occupy roughly the same type of position as do the advisory officers in top and middle management. Lastly there are the workers of various classes.

The chart shows the organization divided vertically into different major functions or fields of activity and horizontally into different ranks of authority and responsibility. For various reasons the actual title and rank may not indicate the nature of the responsibilities. Just who comprise the members of the top and middle management is often an empirical question to be decided by what is actually done.

In this book the word "department" is used for the total jurisdiction of a junior administrator. It is in turn divided into "divisions" and "sections." The junior administrator may have under his charge from one part to more than a dozen separate parts of the organization. The department is usually divided horizontally into "divisions," each headed by a division supervisor, and vertically the authority is usually passed down through several ranks of supervisors.

As an instance of one distinct type of activity the handling of mortgages may be considered. The mortgage department may, as in Figure 1, be broken into several divisions, such as farm loan, city loan, and accounting (including insurance and tax sections). However, the general field of mortgages may itself be divided among several junior administrators, one responsible for city business mortgages, one for city residence mortgages, and another

for farm mortgages. Each of these might have a division for new loans, one for accounting, one for arrears, and one for management of properties taken over under foreclosure. The split of responsibility depends partly on the history of the company and partly on the size of the units involved.

A junior administrator may, however, have a span of scattered activities. For instance, in a life insurance company a junior officer may be in charge of the routine connected with the underwriting and issue of new and changed insurance contracts; issuance of premium notices, with addressing equipment; accounting for premiums, commissions, and other field-office transactions; issuance of new policy loans and accounting for principal and interest; files of correspondence and of applications; mail; card records of various types; claims and maturities; purchases, printing, and supplies; and general accounting and statistics.

Such a variety of activities may seem like an extreme case, yet is not unusual. When the junior administrator is called upon to head up such a great span of activities, he needs to devote special thought to their structural relations, to the men who head them up, and to the achievement of coordination. His job is to build up or to maintain a smoothly functioning department where each person or division does a share for the larger whole.

THE CHARACTERISTICS OF THE JUNIOR ADMINISTRATOR

The native and acquired endowments of the junior administrator should be great. They are described more fully in later chapters. To be truly competent in his job he should be of sufficient caliber to become subsequently a senior officer, for the adequate discharge of his complicated responsibilities is a test of the intellectual grasp and the power of leadership required to head up a major function of the business. Usually he has also directed the work of others and has demonstrated his capacity for getting people to work under his direction. Frequently he has been promoted to his present position from a job where he had been in charge of

one distinct line of work. In this case, he may have been an important specialist with a comprehensive knowledge of the technical aspects.

High energy is almost indispensable to sustain the hard work and the quality of mind and character which are essential to leadership. However, moderate or even impaired health supported by wise habits of living may furnish a sufficient physical background. Unusual physical strength is often abused through carelessness and undue strain.

Mentally, the junior administrator needs above all the capacity to grasp essential points as they relate to one another and to reach conclusions and decisions. Although general culture and a well-rounded education are assets, particularly in dealing with superiors and with outside contacts, the self-made man can usually round out his accomplishments to the degree needed.

A general knowledge of the principles of the business is required and also some specific knowledge of the functions of his own department. When he takes charge, his new job often includes responsibility for sections of the work with which he was not previously familiar. Although a specialist must know his technical material, the good administrator does not necessarily know the techniques but he must grasp the broad essentials. He may add little by little to his knowledge of the specialties committed to his charge. The degree of knowledge needed will depend greatly upon his own situation and the degree to which in his judgment he can trust the competence of the specialists working under him. The higher an executive rises in rank the less important is specific knowledge of the work lower down. Indeed, this specific knowledge is the only factor which varies greatly from one department to another. This fact accounts for the success achieved by some administrators in moving to a new line of business.

Strength of character always distinguishes the successful administrator although it may be shown in a variety of forms and mixed with varying faults. Honesty, fairness,

self-respect, initiative, energy, firmness, persistence, and tact are almost indispensable. Self-control in temper, demeanor, mood, and impulse is exceedingly important, yet some men succeed in spite of failings in this regard. Human understanding and sympathy are great assets. Interestingly, a man can succeed in spite of his faults if the personal blend of his character is sufficiently strong in good points to compensate for the bad.

Leading others is an essential part of the work of the junior administrator. Men of high intelligence and unblemished character who achieve splendid results working alone or with only a few persons do not necessarily have the capacity to lead. The good leader sees what is to be done and evokes in others the desire to do it. Thus the administrator must have a clear intellectual grasp of objectives and of the means to achieve them. His own drive to accomplish must be shared by his subordinates. He touches the emotions of others by applying right incentives to spur them to accomplishment. He releases their powers so that they aid him spontaneously. Some leaders actively inspire others with their own dynamic. Others appear to sit back and draw out the energies of those with whom they work.

The administrative leader has the distinctive capacity to get things done by others. He delegates authority and responsibility to his supervisors and sees that they carry through. Further, he must know some of the many arts of saving his own time and getting his personal work done. He carries a large load and must, if he wishes to grow, control his own time, energy, mind, emotions, speech, and activities. He should not undertake more than he can deliver. He should always endeavor to put first things first.

DUTIES OF MIDDLE MANAGEMENT

Some of the things each junior administrator should endeavor to do are:

1. To aid the chief.
2. To develop one or more understudies for his own job,

and to prepare those below him for other jobs requiring leadership and technical capacity.

3. To understand what others at all levels are trying to do and to appreciate their problems.

4. To cultivate a broad perspective, looking at outside factors even though the responsibility rests in the hands of the top officers and of specialists.

5. To prepare himself for broader responsibilities.

The top management of the future ordinarily will be drawn mainly from middle management, with some members from the staff of advisory officers and some from outside. Most of those in line for top positions will have to go through the discipline of middle management. They can develop satisfactorily only if they broaden their view as far as possible, looking at things from the point of view of the company rather than their individual departments. This overall view comes about best by successful efforts at coordination. The middle managers as a group need to pull together to keep the machine functioning smoothly and to build for their own as well as for the collective future.

Middle management acts with and under the top management to accomplish these broad objectives of administration:

1. To run the detail of the organization, leaving the top officers as free as possible for their other responsibilities.

2. To cooperate to make a smoothly functioning organization.

3. To understand the interlocking of departments in major policies.

4. To achieve coordination between the different parts of the organization.

5. To build up a contented and efficient staff where reward is given according to capacity and merit rather than chance or length of service.

6. To develop leaders for the future by broad training and experience.

7. To build a company spirit where all are working to provide a product or service wanted by others.

CHAPTER II

THE SETTING OF MIDDLE MANAGEMENT

THE GROWTH OF AN ORGANIZATION

AN ORGANIZATION comes into being to accomplish an objective or a series of objectives which can be attained better by a group of people than by one person alone. The group must be willing to work together consistently and persistently for a common purpose. In business an essential objective is making a profit. Other objectives include providing goods or services to the consumer, furnishing employment and financial return to the participants and to the community, and building an organization which gives satisfaction to the participants. Willingness to work for the common purpose may be passive rather than active; in fact the large majority of those working for a sizable corporation will cooperate only passively on the general objectives. They work to fulfill individual rather than group needs and desires; for instance, to make a living, to get ahead, to feel active or useful, to get recognition, to seek a position of power. The individual motives are powerful and can be utilized by the management to the benefit of the organization. The more the group is united around a common purpose the better will the group feeling be developed and the more energy will be released toward the accomplishment of the purpose.

Organization implies not only a purpose or a set of purposes but a form appropriate to carry on the activities to achieve the objective. Form and activity are closely related throughout life. The greater the range of the activities of an organism, the more complicated and specialized does its structure become. The organization is an organism because

it "carries on the activities of life by means of parts or organs more or less separate in function, but mutually dependent" (Webster's *International Dictionary*). The larger the business enterprise grows the closer is the analogy to the living being. The separation and definition of function increases, but the oneness of the whole is none the less important.

The organization evolves in complexity both in form and function in a way similar to the evolution of a biological organism. Just as the development of the muscles, glands, circulatory, respiratory, digestive, and sense organs has enormously increased the capacity of the living being to deal with life, so the differentiation of functions in a corporation serves its purposes. The human body has built up the nervous system so that the organism may operate as one. Similarly, the corporation needs well-organized forces for maintaining cooperation. An orderly arrangement of group effort is required if unity of action is to be attained. Therefore group effort is usually directed by a leader or a group of leaders. In business the leaders are "the management." A business is usually started by a man or a small group of men who have not only an idea or a purpose to achieve, but also the capital or the ability to secure the capital of others.

A prosperous Illinois farmer was compelled by the condition of his wife's health to discontinue his farm activities and move to the city. In the prime of life and of an unusually active personality, he became intensely interested in the farmers' problems with which he had been familiar. He believed that farmers were paying too much for their automobile insurance. After investigation he set up an automobile insurance company for the farmers of Illinois, to provide insurance at rates far lower than those prevailing. His first office was staffed by himself and a secretary. His many friends in the surrounding agricultural district were interested. At first he made the plans, set the rates, solicited the business, and with the help of his secretary, wrote the policies, delivered them, collected the premiums, invested the reserves, and investigated and paid the claims.

In eighteen years this company grew to be the biggest automobile insurance company in the world, writing business in all but a few states in the Union. The founder and chairman of the

board, is still the "Chief." Thousands of agents sell the business; hundreds of people are on the payroll of the company in the home and field offices.

All the phases from infancy to early maturity were gone through in a brief span of years. The field organization expanded rapidly. Farmers interested in the new enterprise became agents. Farm organizations cooperated. The company soon transcended state lines. Urban centers were included.

As the business rolled in, a home office organization was built up. Clerks took over routine operations. Departments arose to handle different phases of the work. Men who started at the bottom rose as fast as their capacities permitted, but in the rush of business, the Chief took high-grade men from outside the company. A lawyer who at first worked part-time became a leading administrator. Some of the specialists hired for expert knowledge found themselves becoming executives with wide functions. In the clerical grades and among the junior supervisors work was fairly clearly defined; but toward the top anyone who could competently handle the expanding problems had all he could do,—and more. Only gradually did differentiation of function arise in the executive ranks by the allocation of fields of activity to one or another of the leading men and by a gradual distinction between top and middle management in duties and in personnel.

The simplest form of business organization is that carried on by one man. He decides what to do and does it. He may change his decision whenever he wishes. He has no problem of directing others. However, as the business grows it is physically impossible for him to do all of the work. He takes on another person. A split of the work is necessary. It may be divided into equal parts so that each of the two does half of the total; or a division may be made according to function, each person doing what he is best equipped to do. Some decision is necessary on how the work is to be done. The enterpriser begins to be an executive in dealing with work and with the worker.

As the business grows another worker is added, then more workers. It becomes definitely advantageous to divide up the total functions and to allocate these to different individuals so as to receive the benefits of definite responsibility for performance and of special skills due to aptitude, repetition, and training. Units of work spring up, each perhaps with an informal leader.

The enterpriser may for a long time continue to direct all the work. Sooner or later the volume of work grows to the point where no one person can make all the decisions or exercise all of the supervision directly. Part of the supervision is delegated just as previously part of the work was allocated. The making of policy and the executive work necessary to carry out the policy are retained by the enterpriser long after he has ceased to do the actual work. He no longer gives all orders personally but instructs his assistants to pass along directions. Presently these assistants may themselves take care of important functions, such as production, sales, or finance. By degrees, more and more authority is given to these people.

The natural development is to divide the organization into fields of activity with a person, answerable to the chief, in charge of each field. Thus as the chief's work grows too heavy one or more senior officers develop. As their work increases others are added to the top management by further splits of major function, and through delegation downward the junior officers and supervisors develop also.

Usually the delegation and division are made to meet practical conditions as they arise rather than to fit into any plan thought out in advance. Moreover, each split is likely not to be made until after the time it should have been made because of a reluctance to give up any power or responsibility which one has had (or which was exercised by a predecessor), and because of the added expense of another overhead person whose value to the organization may be difficult or impossible to measure. In a growing organization the top officers are often burdened by the mass of work coming to them, and they frequently lack a desirable amount of time free for attention to long-range matters not involving immediate decision. There is also likely to be little realization of the degree to which size alone complicates things. The hope continues that as soon as the present mass of work on hand is cleared up there will be a falling off in problems and that therefore only temporary relief is needed.

The pressure for time also slows down the adaptation of the organization to the problems created by its growth.

There are certain broad trends in the growth of a typical company. First, the expansion of the work in volume leads to differentiation of structure and function. Departments, divisions, and sections are set up. Certain persons are charged with the responsibility for directing these parts of the organization. Authority is delegated to these men. Along with the departmentalization goes the development of specialists and of service functions. The form, the functions, and the leadership all grow up together.

Second, when the organization outruns the ability of one man or of a small group of men to supervise each activity, the once automatic unity tends to be broken down by divisive forces as the company is split into departments, the departments into divisions, the divisions into sections; as authority and responsibility are split by delegation; and as work is separated by functions to develop more and more specialized units. Control by one man or by a small group of men who understand and trust each other can maintain unity of purpose and of activity for a while, particularly when those exercising this control have grown up in the company and understand the ramifications, but sooner or later devices of management must be developed to achieve that harmony of activity which at one time was spontaneous. A unified basis of management becomes necessary, with an orderly structural plan, definite and balanced arrangements of lines of authority around a few major functions, and the provision of means for coordination of purposes, policies, and activities at every level of the company.

THE TASK OF MANAGEMENT

The task of management has changed enormously in the last generation. Not long ago the typical business picture was often that of an individual establishing a business with his own small capital, reinforced perhaps by contributions

from his friends and by a loan from the bank. He was out to make a profit. Often he made a fortune.

With the growth of modern business the most significant unit is no longer the individual enterpriser but the corporation with hundreds or thousands of workers. The capital belongs not to one man and his friends but to large numbers of the public. The management no longer owns the business but administers it, subject to the board of directors, the laws of the land, and the increasing complexities of modern life. Management started as the representative of the owners, but year by year the responsibilities have broadened until it is now the directive factor which integrates and balances the interests of the public, the consumer, the stockholders, the bondholders, the workers, and the official, supervisory, technical and sales staff. It is responsible for the production and the distribution of goods and services with sound policies for all concerned.

Not all managements discharge their obligations fairly or intelligently, but in the broad, management is becoming a profession and carries with it social responsibilities in addition to the old objective of making a profit. The professional man is marked by certain definite characteristics. First is education fitted for the vocation. More and more of the younger businessmen have had not only college training but also specific courses in business administration, finance, engineering, law, and so forth. Second is compliance with certain standardized requirements for pursuit of the vocation: either the law itself lays down requirements, as for lawyers, doctors, and so forth; or technical societies set standards for admission to a membership which is a vocational advantage. Third, a professional code of ethics puts the good of the public above that of the practitioner. The old phrase, *Caveat emptor* (let the buyer beware), gives place to the new slogan, "Serve the public."

The development of management as a profession means public as well as private conscience. It means the social import of private decisions will be considered. It means that

the rights of all, consumer, community, worker, and holder of assets alike, should be treated fairly and conscientiously.

The job of management is to achieve the common objectives with the resources available. This is done through:

1. *Leadership*—inspiring the whole organization and carrying it forward toward the realization of the objectives.
2. *Organization*—developing appropriate form and function for the attainment of the objectives.
3. *Administration*—providing the policies and methods by which objectives can be realized, and marshaling the human and physical resources.
 - a. *Policy making*—anticipating the future and planning for it, laying down policies for securing objectives, and modifying objectives and policies for better results.
 - b. *Executive action*—carrying out and interpreting the policies and dealing with the present, particularly with the problems and difficulties which arise from day to day.
 - c. *Control*—knowing that the execution is proceeding according to plans and policies laid down—with a view to further policy making and planning.
4. *Coordination*—at all times securing harmony of action toward the objectives, through leadership, organization, and administration.

Leadership requires a vision of the future and a vital understanding of the capacities, ideas, and emotions of the persons and groups concerned in making the future. Organization provides appropriate form and function through delegation, structural relationships, departmentalization, and specialization. Administration lays down and applies policies and methods by which the human and other resources can be utilized to reach the objectives. Planning is undertaken to meet the future most wisely but is based to a large extent on past experience. Execution requires knowledge of current conditions and the application of policies to

meet them progressively. Control analyzes past and present performance and should lay a basis for future action. All the phases of administration demand constant integration of facts and opinion gathered from many sources, with a free flow of information, suggestions, ideas, and plans both upward, downward, and crosswise. Suggestions, problems, and difficulties move upward and crosswise; orders, decisions, and guidance go downward and crosswise.

Coordination is necessary to secure the three-way movement necessary to the unifying of information, decision, and action. "Coordination," in the words of Mooney and Reiley, "is the orderly arrangement of group effort, to provide unity of action in the pursuit of a common purpose." (*Principles of Organization*, Harper & Brothers, New York, 1939, page 5.) Coordination affects every function of the business, operating as the unifying factor. It is of increasing importance in business today, as the differentiation of function and the development of specialization are necessarily growing. It is stressed throughout this book because in the typical business it has not been emphasized enough. Coordination should take effect at all levels of the organization but is particularly important in middle management, just because middle management is in the middle and can be effective in all three directions, upward toward the top management, downward toward subordinates, and crosswise toward colleagues.

The task of management just given is described in the broader setting of "scientific management" in Chapter XIII. The specific tools of management operate within the "laws of the situation"—physical and social—and in an environment of high morale, as illustrated in Figure 7. Morale is defined as the capacity of a group to pull together persistently and consistently for a common purpose. Thus scientific management aims to produce the best use of human and material energy.

SPECIALIZATION AND THE BROAD VIEW

The complexity of operation grows with the size and age of a company through the provision of more detailed types of service, the accumulation of special practices, and particular requirements of various sorts. In addition, all business has been affected by new legislation, court decisions, recommendations of trade associations, and the other complicated phenomena of contemporary life. Specialization has developed, not only to handle intelligently the greater volume and more complicated material but also to take advantage of more highly educated and better prepared personnel.

The enormous increase of specialization is an outstanding characteristic of modern business. A corporation may have persons with professional education in engineering, law, and medicine; and men with specific training or experience in specialties such as public relations, advertising, market research, accountancy, control, purchasing, personnel, planning, plant layout, the language and manners of a particular nation, and many others. Specialization has already progressed far, but the chances are that it will increase further in the future.

At the same time it becomes harder for any one person to have comprehensive knowledge or even enough to guide him toward a practical integration of different contributions. The very process which has led to departmentalization, subdivision of work, and specialization of knowledge has diminished the supply of men with breadth of knowledge of the entire business or even of a considerable segment of it. Particularly in large enterprises, a broad general understanding is needed more than ever before, but the growth in size and complexity of the enterprise has tended progressively to narrow the experience of individuals, from clerk to top officer. The smaller the company the easier it is for people to get a clear idea of what is happening, of the common objectives, and the means for accomplishing them. The larger a company becomes the less easy it is to have a

broad view. Those who grow up in one function of the business often have only vague ideas of the interrelationships of the enterprise as a whole.

The effect on the management is vital because the officers have to make policies and decisions on matters which involve many fields of growing specialization and complexity. Since the activities of a large number of people must be harmonized and correlated, a broad view of all the factors in interlocking situations is essential and coordination and cooperation become increasingly important. The further down the line that correlating efforts take place the better. In the administrative ranks, however, these efforts assume special importance. The senior and junior administrative officers are faced with the duty of making and executing policies. The very nature of executive work calls for decisions which draw on the contributions of others and in turn affect their action. The administrative officers rely to a great extent on the opinions of specialists, yet they must often weigh the findings and reconcile differences.

The specialist is likely to overemphasize the importance of his contribution to the whole, and through lack of broad experience to underestimate the importance of other phases of which he knows less. The handicap of specialization is summed up in the saying: "The specialist knows more and more about less and less until he knows everything about nothing."

The hurricane of 1938 practically wiped out some beach communities in New England. An engineer made elaborate plans for rehabilitation. When he showed the scheme involving the expenditure of millions of dollars to a committee of property holders, they asked, "Where is the money coming from?"

"Oh," answered the engineer, "that is not my responsibility. I have nothing to do with how much is spent or how the money is raised. I was hired to make a plan."

The difficulty lay in the fact that he was given no idea of how much money would presumably be available, and his plan therefore bore no relation to the financial possibilities.

The tendency toward specialization characterizes almost every field of modern life. In learning, the man of encyclo-

pedic knowledge is becoming more and more rare. In medicine, a patient may be referred from one specialist to another and may become quite bewildered by the conflicting advice of several men, each of whom thinks that the key to his poor health lies in a particular ailment. In the medical field, however, a solution for the patient is emerging. Clinics are developing general men to interpret the findings of the medical experts and to give the patient overall advice.

Business now requires "generalists," just as the medical clinic needs a doctor with a comprehensive view to deal with the patient. People are needed who take a general rather than a specialized point of view, who see the interrelationships of all the factors involved in an activity, policy, or problem. The top management is forced into a broad view and its members act accordingly. The senior officers have a certain solidarity which comes from their direct dealings with the chief executive and with one another. Being aware of this solidarity, they are sometimes less aware of the diffusion of activities in the lower ranks.

Many members of middle management, however, have not yet recognized current facts and themselves tend to take a specialized or departmentalized view. While the policies of top management are vitally important in attaining coordination, middle management is a powerful force in carrying out these policies and sometimes in initiating them. Each member of middle management can build up or tear down corporate solidarity.

The top management may be likened to the general staff of the army, concerned with strategy. The junior administrator is more like the general in the field. He must know and follow the strategy laid down by his superiors; but he and his own staff must work out the tactics of the immediate situation. From his daily contact with what goes on, he either knows or can readily find out the obstacles to effective cooperation. Therefore he is the man who can set in actual motion both remedial and constructive activities. He not only needs to cultivate breadth himself but also to teach it

to those below him in order to promote understanding and cooperative effort for the present, and especially to prepare men for large responsibilities in the future.

A broad perspective is acquired by the habit of looking at a problem from an overall point of view. Not only should all the inside factors which affect it be sought but also broad outside influences and effects, even though the responsibility for the latter rests in the hands of the top officers and specialists concerned. Putting the good of the company as a whole above the good of the department comes from the practice of this point of view, and from a gradual building of mutual confidence in the managerial and supervisory ranks.

The attitude of the official group is of course vitally important to the whole organization. They can do much to avoid the dangers and difficulties of "compartmentalization," where departmental lines are artificially rigid. There should be widespread knowledge about activities of different parts of the business, particularly of services which might be more widely used by others. The resources should be not only well organized but well known. Certain advisory functions should be broadly utilized. Especially is this true of functions such as personnel and planning. Means of communication should be organized so that adequate information is available about current developments and changes. Outside resources should also be made known.

The organizational set-up has much to do with coordination and cooperation, as brought out later. Above all, it should be definite, with clear-cut responsibilities; it should also be appropriate in form.

Business endeavor within the corporation has become cooperative in character. Harmony is a requirement of efficiency. Through widespread and intelligent participation, each person should give his best to the common purpose of advancing the true interests of the corporation, its workers, and the public.

CHAPTER III

ORGANIZATION AND STRUCTURE

A BUSINESS organization is composed of men and women associated with each other in a series of relationships which are determined by the structure and functioning of the company. Authority and responsibility go downward in steps from the top. The step relationships are both personal and impersonal. From one point of view the people occupying the steps seem of paramount importance; from the other, the steps themselves must be considered. Always there is interaction in a live organization between the structure, or impersonal segments, and the people considered as leaders and as followers. The allocation of functions into a scheme of relationships is the structure. The functions are carried out, however, by persons who carry out their responsibilities under the principles of delegation and cooperation.

Thus two trends in organization take place side by side, the development of men and the development of structure. These conflict at certain points. After a company passes a small size it becomes necessary to have an organization plan with functions essentially related to each other together and with correct relations considering the flow of work and other factors. The larger an organization grows the more important becomes the distinction between the men and the functions they direct while at the same time the caliber of the men available to head up the functions increases in importance. To a certain extent it is wise to take advantage of particular aptitudes of certain administrators and to place under them functions which, given men of other capacities, might be arranged differently. The relation of man to func-

tion is, however, reciprocal; and in looking ahead, it may be just as important to train a future executive to handle the functions belonging together as in the past it has been to put under a fit individual the work which he could appropriately handle. The larger the company the less the organization should be bent to fit an outstanding man. In any given situation a man of particular ability might have more than one title, temporarily combining in one person activities which normally would be performed by two or more men who were less talented or versatile.

A company may be compared to an individual man, as in the following quotation:

A man's body is built up of different organs with specialized functions. Each of these organs is, in turn, made up of numerous individual cells. The action of the various organs is controlled and coordinated by the nervous system. Most companies are composed of different specialized departments, which correspond to the cells in the body. Action of the various departments is controlled so that, on the whole, they work toward the main purposes of the organization.

The various organs of the body are dependent upon each other. A weak stomach may paralyze a fine brain; a bad heart makes fine muscles useless. There must be a balance in functioning. The limits of certain parts of the body are quite distinct and those of other parts cannot be exactly determined. Few people would differ much as to the boundaries of the lungs, but exactly where does a man's arm stop and his shoulder begin? Similarly, in a company, the various parts of a healthy set-up are each important, and no one part can be said to be more important than another (although it may be more easily replaced). The boundaries of some of the parts may be dimly defined, or they may vary according to the personnel available. Of course, one must recognize cancer in individuals and in business,—a disease whose cause is unknown, which results in abnormally large and useless growths.

We can dissect the body, but knowledge derived from dissection alone would tell us very little about how the body functioned and of the motives which dominated it, and nothing of its mysterious life qualities. Probably few doctors would attempt to tell much from an autopsy about a man's status in life, his economic success, and his general character. A brief talk with him while alive would have indicated much more to an acute observer than would the most painstaking analysis of his structure after death. If you or I were given twenty organization charts, ten of organizations which

had recently failed and ten of those which had recently earned large profits, I doubt that we could separate the two groups.

Henry E. Niles, "Formal and Informal Organization in the Office," *NOMA Forum*, Vol. XV, No. 2, Dec. 1939, page 24.

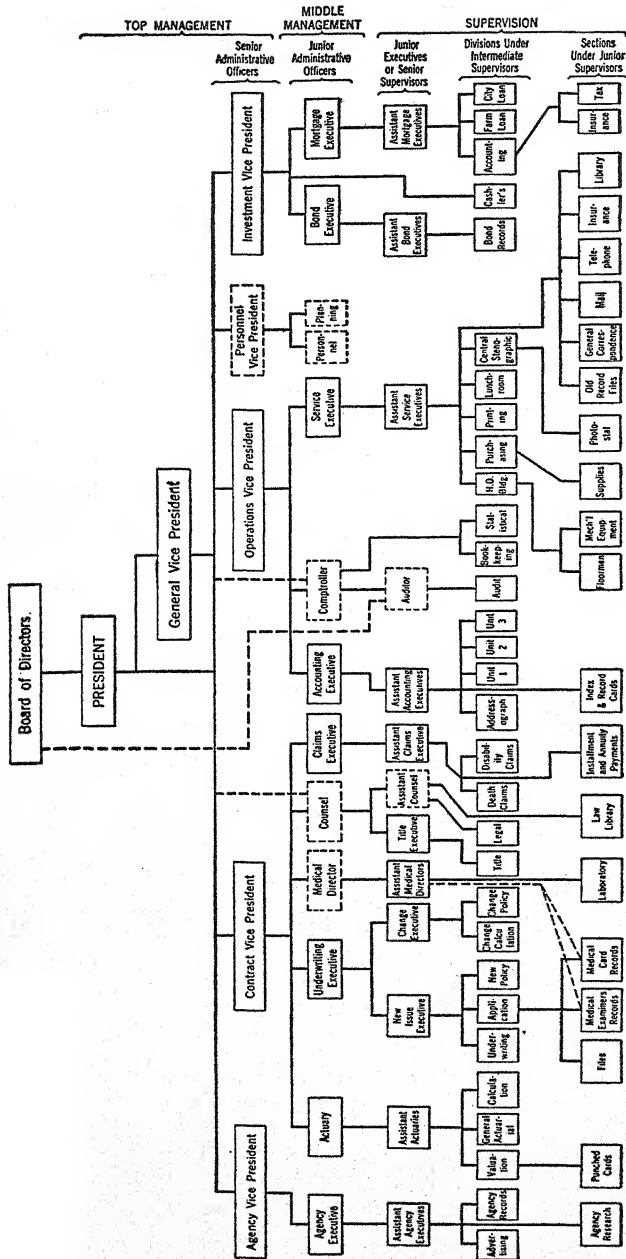
Structure though not all-important is nevertheless worth attention, for sound structure is needed by a business as much as a man needs sound organs. A man cannot walk without proper bones in his legs; similarly, a company cannot function without definite organization.

Understanding of the structure of a company is aided by consideration of an organization chart. Figure 2 gives the chart of a life insurance company.

The chart is divided into different levels or ranks of authority and responsibility. The top level consists of the chief executive who may be called the president, chairman of the board, or general manager, according to the custom of the company. Under him is shown an assistant chief executive who is a natural understudy and substitute and who helps in the general task of administration. The top management includes these two and the senior administrative officers. Below these come middle management, supervision, and the rank and file.

Vertically the company is divided according to major functions, with minor functions arranged under these. Preferably there should be not more than four or five major functions for reasons given below. The determination of which functions are major depends on the nature of the business. Practically always sales, production, and finance are major. Purchasing of materials in some lines may be major. In manufacturing companies, engineering or design, including research, will be important.

The activities included under each major function should be grouped so that related work is brought together. The larger the company the more important it is to secure an orderly relation of functions. Any one minor activity usually fits better under one major function than another. Opera-



— indicates authority ("line")
 ---- indicates advice ("staff" or "advisory function")

Figure 2.—ORGANIZATION STRUCTURE OF A LIFE INSURANCE COMPANY

tions should be closely related in accordance with types of activity and with relationships within the organization and with the customers and the public. Obviously it is advantageous to group activities which fall in the same field of specialized knowledge; or which use the same or similar records and equipment.

Keeping routine as simple and direct as possible becomes in itself a problem demanding continual inspection by persons versed in the technique of planning. The cross-relationships among different parts of the organization working on routine matters need particular attention.

The development of the men in top and middle management as well as the orderly organization of the work itself requires a logical grouping of functions into several major sets under a few men of approximately equal rank and caliber. Thus in several major administrative posts men will have a chance to see the company's problems as a whole and have positions of sufficient scope that they may be in line to become chief or assistant chief executive. The senior administrative officers may form a kind of cabinet with the chief executive and his assistant. The smaller the top group the more easily can they get together and exchange information and the better can they know each other's reactions, and therefore the more readily can their views be integrated into common policies and attitudes.

The larger the company the more conscious attention must be devoted to developing men for broad responsibilities; and the more they need exposure to a variety of problems and contacts with many different phases of the work. Top officers are chosen less and less for specific knowledge and more and more for their breadth of vision and their capacity to exercise the means of control. They need the capacity to see the broad implications and trends, to understand where the business is headed and how it can avoid the rocks. They must know how to integrate the information which comes to them. They must select and train men under them, both as specialists and as generalists. Their own

knowledge must be broad, not necessarily specific: details can be delegated to specialists and the direct supervision to subordinate supervisors. They must exercise the means of control through assistants, through permeating functions, and through reports.

The set-up of the organization below the senior administrative level should also be such as to encourage the development of future leaders. Therefore the positions of middle management and of senior supervision should be laid out not only for logical handling of the immediate work but also with opportunities for promotion in mind. In a small company the management has no trouble in spotting the brighter and abler men and developing them, but as the size increases talented men may be hidden in some specialty while mediocre men rise because they have had opportunities. The organization suffers when persons of talent are stifled; and contrariwise it suffers when mediocre people rise to positions demanding greater capacity than they have. One of the important duties of administrators is to watch promising men and give them positions of such scope that they can develop administrative powers. Therefore the set-up should have a considerable number of posts where lesser experience in administration can be acquired.

Many companies have arranged their corporate structure according to a well-conceived and integrated plan but others have "just grown." As new functions developed they may have been allocated within existing departments or new departments may have been set up. Thus in a company of medium size there may be departments of varying size and importance: a mail "department" may have only a few employees while an accounting or production department may have hundreds. The supervisors are often called "department heads" but the importance of their own services and of the functions they represent may vary tremendously. A particularly able man is often allowed to direct all the work which he seems able to handle. Thus a number of functions tend to be brought together in one central group headed by

an able administrator, and other functions are left somewhat at loose ends under men of varying rank and ability. Some revision of organization plan is often needed so that each subdivision finds a proper place in the organization with clear lines of authority and responsibility.

LINE AND STAFF

Authority and responsibility are usually thought of as passing down from a superior to a subordinate in a direct line. On an organization chart, lines may be drawn from the chief executive down to indicate the line of authority. Those having "line" authority, according to management terminology, are charged with determining policies and orders or with transmitting orders to subordinates.

In addition to persons in the line, in every modern business there are many persons who carry "staff" responsibilities. They do not administer or execute except perhaps incidentally. Only in supervising their immediate subordinates, if any, do the men in charge of an advisory function serve in a line capacity. Their responsibilities, however, may be exceedingly great since much may depend on the advice they give. They may have a large "authority of ideas." Usually these specialists possess technical training or special experience. A specialty of an advisory, controlling, or technical nature is here defined as an "advisory function."

These staff people may be coordinate in rank with line officers and supervisors of every rank. Some of the important senior and junior officers may belong to the staff rather than to the line. Within a department the leading specialist may even receive more pay than his immediate supervisor, since the specialist may pass judgment on matters involving large financial stakes, while the line man may be in charge of production and of the actual running of the unit. For instance, in a life insurance company the medical adviser almost always has official rank and a good salary, but he is sometimes considered as a member of an under-

writing department headed by a layman at lower pay.

Most of the advisory men are specialists situated within one department. More and more, however, certain functions may be in charge of a specialist who develops practices, policies, and plans which are actually applied by many others in numerous parts of the company. Such a function is here called "permeating" because it permeates through the organization and is not confined to one division or department. Thus a legal department may originally have been a small division to draw contracts and to handle litigation. Later it is called on to interpret contracts. Little by little its sphere of influence grows until many items affected by the law come to this department for rulings or for advice. More and more, preventive advice is given to avoid in the future difficulties which have arisen in the past. The line men in every cranny of the business may be acting on the advice of the lawyers. The giving of legal counsel has become a permeating function.

What is increasingly known as "public relations" is the permeating function which accents salesmanship to the public as well as to present and prospective customers. Although now frequently singled out as a separate activity, organically it is part of salesmindedness. Increasingly it is also identified closely with personnel relations. Other permeating functions, particularly those of personnel, planning, and control, will be dealt with later.

In actual practice, officers may perform more than one type of function. The counsel, for instance, performs a line function in directing the work of the legal department, an advisory function in recommending to the president certain courses of action, and a permeating function in setting up certain requirements to which all departments are to conform (usually by line decision of the executives concerned or of their superior). A rigid definition of the limits of authority and responsibility of a man having advisory or permeating duties is difficult to make, and in a rapidly changing organization may even be undesirable. It is highly im-

portant, however, that information be spread throughout the organization as to what special knowledge is available and who possesses it. Mutual acquaintance and mutual confidence lead to the use of the contributions of each specialist. The goal should be the integration of the organization as a whole, so that year in and year out it will effectively meet the day-to-day situations which confront it.

Figure 2 indicates those having an important advisory, staff, or permeating function by a box drawn with broken lines around the title. The chart would be very complicated if lines were drawn to the many portions of the organization to which their advice extends. Other officers, and specialists situated within departments, also have some advisory and permeating functions, but for the sake of simplicity these are not indicated.

This discussion is based on what is usually called the "line and staff" method of organization, but other methods are described in textbooks on organization and are to some extent in use. The "functional" organization developed by Frederick W. Taylor, the "father of scientific management," provides that a given workman is under the guidance not of one foreman but of a considerable number of foremen, each of whom carries a separate specialized responsibility. This plan has had extensive influence on the thinking of many people, but it is less widely used than line and staff and it has had little application in clerical operations.

DELEGATION

Authority and responsibility for the performance of general or specific functions are delegated downward from superior to subordinate. Delegation of duties carries with it the responsibility and authority for doing the job, but the person delegating retains the responsibility for seeing that the job is done. A chief executive, for instance, delegates most of the work to subordinates but retains the responsibility for seeing that the work is done effectively. A mistake of judgment or a clerical error made by a person far down

the line may put the company in an embarrassing situation for which the president may properly have to take the blame from the directors, from the public, or from the government. He cannot personally be sure of the accuracy of the work or of the soundness of judgment of those under him, but he should set up means for ascertaining that the functions under him are performed as well as possible. Often he has to rely upon limited evidence, some of which comes to his attention through chance or through the design of the persons being judged. He reduces the random element of chance by using managerial techniques, notably by the clear allocation of authority and responsibility to those below him, and by control, inspection, and audit. Further, he should develop means of communication with those down the line, that he may personally assure himself of the progress of the company's performance. Similarly each officer or each supervisor is held responsible for activities in his charge even though he cannot personally guarantee that every act is the correct one.

THE IMPORTANCE OF CLEAR ALLOCATION OF DUTIES

Organizational effectiveness is greatly enhanced by clear-cut allocation of tasks. In a small organization in which only a few persons are concerned with other than routine work it is unnecessary to define clearly the responsibilities of each, since the development of new problems and the amount of work which any person has on hand at a particular time often result in responsibilities being shifted to meet best the day-to-day situation. However, as the number of persons bearing responsibility increases a point is reached when clarity of responsibility is needed for smooth functioning.

Clear allocation of duties and responsibilities are valuable because:

1. There is less likelihood of any function being overlooked.
2. There is less probability of two or more persons attending to the same thing.

3. Less time is necessary in coordinating the work and in being sure that all those affected by a particular question are considered, and that those not affected are not bothered.

4. Officers, particularly some of the higher ones, are less likely to overwork or to feel burdened by too many duties. (An officer who has grown up with an expanding company is particularly apt to be overburdened unless definite provision has been made for delegation or for assignment of some of his previous work to others.)

5. Some persons are developed who can bear responsibility but who do not take it until definitely asked to assume it.

6. Persons are held in check who might take responsibility that would be better placed elsewhere.

7. When responsibilities are clearly defined action can be taken more rapidly.

8. Praise can be fairly given and criticism, when necessary, is easier.

9. Clear definition reduces the temptation to "jockey for position."

10. Clear allocation aids the development of understudies and the training of junior executives. When the same duty may be carried out by more than one officer there is less tendency to pass down the knowledge and experience to competent younger people.

For the proper conduct of a business it is important that each person whether high or low be understudied at least to the extent that activities can proceed if he is absent. Often it is assumed that all the activities performed by a superior should be understudied by one subordinate. This, however, is by no means necessary. A senior administrative officer may well train each of two junior administrators under him to understudy a part of his own responsibilities. When he is absent the two between them can then handle all of his work. It is customary, however, for some part at least of the work of a superior to pass up the line to

the superior's chief, especially where judgment is of great importance or where the subject is confidential in character.

The development of understudies throughout an organization is of value not only during vacations or illness of the superior but for the provision of a successor. Some superiors are rather touchy about developing a really qualified understudy either because they fear they will be supplanted or because they do not wish to think of an unpleasant eventuality such as death or disability. More attention would be paid to developing understudies if the possibilities of promotion were thought of. Many a good man has not been promoted because he was "irreplaceable," and instead a person who was available, even if less well qualified, has got the higher position.

It is the duty of every junior administrator to develop men who can fill his own shoes and to see that all key people under him are suitably understudied.

SPAN OF CONTROL¹

The term "span of control" has been applied to the number of persons whom an officer can effectively have reporting directly to himself. An officer may supervise indirectly thousands of people; he may come into personal contact with dozens; but he can supervise directly only a limited number. Practical experience generally indicates that it would be wiser to limit rather than expand the number supervised. If he is charged with only one clear-cut responsibility, the span of control is usually not too great. If, however, he administers a large multiple department, limiting the span should receive his serious consideration. In the first chapter was described a junior administrator who had a large spread of activities. He dealt directly with ten senior supervisors and to a considerable extent with another ten section heads (some of whom were at least semiautonomous) and about

¹ The material in this section is taken from an article by Henry E. Niles and M. C. H. Niles, "Assistance in Coordination," *Personnel*, Vol. 15, No. 1, August, 1938, published by the American Management Association.

ten assistant heads. Another junior administrator had eight senior supervisors with thirteen section heads or assistants. Each of these officers was outstandingly capable and each had a particular ability to deal tactfully with human beings. Even they were burdened unduly with such a large span of control.

Urwick and Graicunas have made an important contribution to the theory of administration in pointing out the importance of a limited span of control. They point out that the complexity of relationships increases rapidly with each individual person directly supervised. When a man supervises only Tom and Dick he considers his relation with each separately and with the two together, thus having three relationships. If Harry joins the group the administrator must consider not only the relations with Harry but also the relations with Tom and Dick and how the relations of Tom, Dick, and Harry among themselves affect the work.

The rapid increase in the number of relationships as the number in a group mounts is the basic reason why the breaking down of a "division" into "sections" makes supervision easier by reducing the number of cross-relations. A division head with forty people may be far more effective if he has four section heads responsible for nine persons each, even though he himself deals with each of the forty on some points. An operating supervisor can handle a number of subordinates varying according to his personal characteristics, the quality and character of the work, and the type of employee. When people work more or less independently, with few cross-relations, more persons can be handled by one supervisor.

Executive direction of supervisors of lower grades usually is affected strongly by cross-relationships. A junior administrator may have a dozen men reporting to him for the work in their divisions. Some of these may not be interconnected but often many of them are. All of them are affected by any trace of partiality, real or imagined, and all will look upon one another askance unless the teamwork is close. The num-

ber of persons reporting directly to an officer should be sufficiently restricted so that he can deal competently with each.

Graicunas demonstrates mathematically that the addition of a single person to an interrelated group, regardless of its size, approximately doubles the number of relationships within the group. This, he claims, doubles the task of co-ordination. The human resources, however, are increased by a smaller and smaller percentage. For instance, the addition of one person to a group of five increases the capacities by 20 per cent but may increase the human complications by 100 per cent.

The idea has value but is based on assumptions which often appear not to accord with the actual business situation.

Graicunas says:

Generally speaking, in any department of activity the number of separate items to which the human brain can pay attention at the same time is strictly limited. In very exceptional cases, for instance, an individual can memorize groups of figures of more than six digits when read out and can repeat them accurately after a brief interval. But in the vast majority of cases the "span of attention" is limited to six digits. The same holds good of other intellectual activities.

L. Gulick and L. Urwick, Editors, *Papers on the Science of Administration*, Institute of Public Administration, Columbia University, New York, 1937, page 184.

This comparison is not convincing. The ability to memorize and repeat a group of digits is affected by the mathematical insight of the memorizer. To one without mathematical insight the number 392781243 will probably appear no easier to remember than such a number as 874039242. However, an alert mathematician would quickly break the first figure down into the powers of 3 (3, 9, 27, 81, and 243) and might add that the next digits to the right should be 7, 2, 9. He would possess the key to the organization of the number and so could carry it on indefinitely, whereas

his nonmathematical brother would be unable to remember the nine digits which appeared to him unrelated.

Relationships in an organization should not be haphazard, but subject to some kind of unifying plan. The addition of one or more assistants may round out the plan in such a way that the task of coordination and direction is less rather than more complex. Any given set of relationships is therefore not entirely subject to the mathematical law of permutations and combinations, since the relationships are limited by plan. The human brain thinks easily in terms of a comprehensible pattern or principle but with difficulty in terms of apparently unrelated facts.

Where interrelationships are few, the number reporting directly to an officer can well be larger than otherwise. For instance, a casualty company writes a number of different lines of insurance, such as accident and health, automobile liability, burglary, elevator, hail, plate glass, tenant's liability, and workmen's compensation. When each line is under a separate officer a dozen or more men may report to a senior officer. Since, however, relatively few nonroutine matters affect more than one line of business, the superior may have less coordinating work than, say, an officer in a manufacturing plant with only four assistants reporting to him.

Similarly, a junior administrator may be able to head up widely separate activities if the interrelationships are not too many. For instance, the "service executive" in Figure 2 is shown in charge of the building, including the floor men and mechanical equipment; purchasing (where this activity is a minor item compared to the business as a whole); supplies; printing; lunchroom; central stenographic; photostat; old record files; general correspondence files; mail; telephone; insurance on the building and other items; and library. Two or more intermediate supervisors should assist him in directing these divisions and sections.

The practicable span of control varies according to the particular situation. The factors involved are:

1. The clarity and practicability of the organization plan.
The clearer the plan and the more definite the responsibilities, the more persons can be directly supervised.

2. The interdependence of the persons concerned and of the work supervised.

The more interrelationships the fewer should report direct.

3. The character of the persons concerned, both the organizing and administrative abilities of the chief and the capacities and make-up of the subordinates.

The chief of great organizing ability can deal with more persons directly than can the ordinary administrator. The greater the capacities and self-direction of the subordinates, the more can report direct.

4. The type of work.

The simpler and more uniform the work the greater can be the number of persons supervised by one superior.

5. The stability of the business and its personnel and the frequency with which new types of problems arise.

In a new company or during a period of rapid change, the desirable span will be less than in a well-established company with a stable personnel dealing with conditions which alter slowly.

The number of persons directly reporting to an officer can be kept down by increasing the number of levels of supervision. The company of moderate size has from six to nine levels. First is the chief executive; second, the major officers (perhaps themselves arranged in two levels); third or fourth, the junior administrators; below them, several ranks of supervisors; and at the bottom the rank and file.

The number of levels and the number reporting on each level are shown in Figure 3 in tabular form. At the lowest level, 10 people report to a junior supervisor. On each higher level, 5 supervisors report to each superior supervisor. Thus, with 4 levels, a junior administrator assisted by 5 division heads and 25 section heads could supervise 250

clerks and workmen; whereas with 5 levels and 125 subsection heads he could supervise 1,250.

<i>Level</i>	<i>Typical Position</i>	<i>Number of Persons on This Level</i>	<i>Total Supervised Directly by This Level</i>	<i>Total Down to and Including This Level</i>
I. NUMBER SUPERVISED ON EACH LEVEL ABOVE LOWEST, 5; NUMBER OF LEVELS, 4.				
1.	Junior Administrator	1	5	1
2.	Division Head	5	25	6
3.	Section Head	25	250	31
4.	Clerks and Workmen	250	None	281
II. NUMBER SUPERVISED ON EACH LEVEL ABOVE LOWEST, 5; NUMBER OF LEVELS, 5.				
1.	Junior Administrator	1	5	1
2.	Division Head	5	25	6
3.	Section Head	25	125	31
4.	Subsection Head	125	1250	156
5.	Clerks and Workmen	1250	None	1406
III. NUMBER SUPERVISED ON EACH LEVEL ABOVE LOWEST, 6; LEVELS, 4.				
1.	Junior Administrator	1	6	1
2.	Division Head	6	36	7
3.	Section Head	36	360	43
4.	Clerks and Workmen	360	None	403
IV. NUMBER SUPERVISED ON EACH LEVEL ABOVE LOWEST, 6; LEVELS, 5.				
1.	Junior Administrator	1	6	1
2.	Division Head	6	36	7
3.	Section Head	36	216	43
4.	Subsection Head	216	2160	259
5.	Clerks and Workmen	2160	None	2419

Figure 3.—LEVELS OF SUPERVISION

If the span of control is set at 6 supervisors reporting directly, instead of 5, a junior administrator with 6 division heads and 36 section heads could supervise 360; and with 216 subsection heads he could supervise 2,160. Since the expansion throughout the department would not be even, the total numbers in the lower levels would probably actually be smaller than shown in the table. Nevertheless, with a small number of supervisory levels a department of 250 or more can be effectively supervised.

One way of securing the proper number of levels of supervision for adequate executive direction is to introduce

executive assistants (or men known by some other title) in a rank between the administrative officer and some of his division heads. Thus, in the instance outlined for the service executive, several subordinate executives could be appointed, each of whom would supervise some of the divisions or a group of sections. This device is frequently used in large governmental agencies.

The span of control would automatically be reduced by cutting down the number of separate divisions assigned to any one junior officer. This way of limiting the span would perhaps increase the number of persons in the junior administrative rank. The kind of functions and the number of divisions assigned to any particular junior officer will vary from one company to another and from one department to another in the same company. Redistributing the divisions will not necessarily decrease the total amount of coordination needed. Assuming that the individual junior administrator has the right activities committed to his charge, his effective supervision can be insured by limiting the number of division heads who report to him directly, either by combining divisions under one division head or by introducing executive assistants to aid him in coordination.

THE JUNIOR ADMINISTRATOR AND HIS DEPARTMENT

The junior administrator should study his situation and see if in his estimation his own efficiency and that of his department would be increased by cutting down the number of those who report to him directly. Limitation of the number of his direct subordinates should increase rather than diminish the contacts which he can fruitfully make with those under his general direction, since he would have time to send for men down the line and to obtain their views on matters in which they have specialized. He could more readily put into practice the "open door" policy and see anyone who has reason for coming to him.

The junior administrator should specially study the activities committed to his charge to see their relation to the total organization. Divisions closely related to his own may

be directed by another junior administrator under the same or a different senior officer; some of his own divisions may fit better elsewhere. Particularly when he is new on the job, he should view the relationships of the work critically to see if the present distribution of his functions is best for the company as a whole.

If he feels that changes in allocation should be made he should think out his conclusions and live with them awhile before making any moves. He can easily take the initiative with his own superior and give up functions under his charge, but should be exceedingly cautious and conscientious about suggesting additions to his own department at the expense of others. An acquisitive person may seek to enlarge his sphere of activity even at the cost of others and of organizational efficiency. This, however, is apt to militate against him in the long run. Only by a genuine team spirit can he truly build up his own department into what it should be and fit it into harmonious relations with other departments; only by true loyalty to the company can he make himself into the ideal administrator. Whatever may be the best development for the future, he does not have a free hand in determining what activities are put under his charge. He is given a group of responsibilities; he is not a major officer and does not act entirely on his own initiative. He may call on the planning department for study. Often, however, he must accept the situation as it is. If he thinks the responsibilities should be rearranged to better advantage, he can set a goal in his own mind. He can seek ways to bring it to pass, avoiding any step which would make reallocation more difficult and gradually using developments in methods and changes in personnel to bring about the desired condition.

Within the limits of his own authority and subject to the approval of his chief, he generally has a great deal to say about how his own department should be organized. He has the direct responsibility of administering his department under his chief and the direct authority to carry out his assignment. The authority and responsibility are delegated downward from his chief, just as the latter in turn receives

them from his own superior. Within the department a number of line supervisors handle a designated part of the work through delegation—presumably by the junior administrator but often in actual fact by his predecessor or by the present or previous senior officer. Since the person delegating retains the responsibility for seeing that the job is done, the junior administrator is answerable to his superior for the proper performance of all the work committed to his charge.

Allocation of responsibilities and of authority to his subordinates should be definite. Duties should be outlined clearly, especially if they seem to overlap those of others.

Sometimes responsibilities have purposely been kept indefinite on the theory that less trouble is caused and that "things will work themselves out." Usually the result is confusion and friction.

In one department, a number of junior officers and specialists, each with a private secretary and some with a clerk or so in addition, carried on independent and original work. It was decided that the work would be done more economically if the women were put into a central stenographic and clerical section. An officer was put in charge of the department as a whole. The junior officers remained in private offices. The other men, specialists and a few senior clerks, were put into a large room. Here a man, formerly head of a detailed section, was given a desk in a position which, according to the practice of the company, indicated supervisory rank. He was not told whether he was in charge of the others, or whether he was responsible for part or all of the routine. Most of his former clerks were in the female clerical section in another room. The senior private secretary had formerly exercised an informal type of supervision over the younger girls. She was told nothing as to any new duties. All the girls were told, however, that they were to cooperate and help each other with any part of the work which was heavy at the time. Meanwhile a capable woman who had formerly had a high individual position was put at a desk in the customary supervisory position. She was told that she was to see that the files for all the different types of work were put together, but she was not informed whether she was responsible for all the work, or whether she was over the other senior girl, or under the senior man in the other room.

Each man assumed that the stenographer or clerk who had worked with him before was still at his beck and call; and that she would be aided on demand by any of the other girls. The senior

secretary was occasionally asked to see that there was cooperation among the girls on extra work. Each girl, however, resented doing anything except for her former boss. Almost everyone was upset; no one knew what was expected of him or her; and since everyone felt unsettled, cooperation was at a minimum. For the girls, the situation bordered on hysteria. The officer in charge was meanwhile immersed in important nonroutine work, and was unaware of the situation down the hall from his private office.

In another instance, Smith and Jones, two heads of adjoining divisions, cooperated well together, and shared the stenographic facilities. The assistants, Richards and Merriweather, had definite responsibilities. Jones died, but his position was not exactly filled. Merriweather continued to serve as usual, and Richards was moved over to handle Jones's personal duties. Merriweather and Richards had fairly definite duties but their authority over the clerks was not only divided between themselves but in some sense was shared by Smith. Richards used the situation to continue to understudy Smith and gradually to whittle down Merriweather's duties. A clear-cut decision from the management as to what the lines of authority were would have saved much jockeying for position. Under the circumstances, Smith should probably have been made head of a combined division, with the two assistants reporting to him; or else someone senior to all should have maintained careful supervision.

At the retirement of an important senior officer, two junior officers were appointed, each charged with an important individual function of highly specialized nature. The younger of them had a small division of specialists working under his direction. The older had several divisions handling some technical and some routine work, but with only one well-defined supervisor for one of the divisions. A central group of stenographers served both functions, and an accounting section kept the books for both. After an interval, a man was brought in from the field in charge of correspondence with the field. He reported to the older officer, and assumed that he had charge of all of the divisions under the latter. At times, he also assumed that he was in charge of the stenographers and bookkeepers, and from time to time he acted as though he were in charge of the technical division. He was uncertain in his own mind as to his duties, and apparently his superiors were also. Not having clear-cut authority, he felt hampered in developing understudies and additional heads of divisions. Things drifted from bad to worse. Eventually the jealousies and frictions and lack of functioning among the personnel of the various divisions became acute, and morale was low. He was discharged.

The instances of unclear or divided authority might be

continued indefinitely. In only one situation has the author found that divided authority worked out successfully.

Two specialists were made junior officers about the same time, and were left vaguely in charge of a large department. They were good friends, each admiring and trusting the other. Each had a few things in which he specialized. In the course of time, one of them became an important expert, and dropped administrative duties except over one division. The other developed the administrative side, and in the course of time appeared to be in charge of the remaining divisions. So far as the rest of the organization knew, there was never any clear definition of the sphere of either. However, the men themselves and the staffs under them were happy. It is doubtful whether the situation could have worked out except for the temperamental compatibility of the two men and for the difference in their interests which led to a natural line of demarcation between them.

Unclear or divided authority leads to jealousy, rivalry, and often to an alternation of graspingness and hesitation on the part of the supervisors. The organization in the overwhelming majority of cases loses when things are left to "work themselves out."

However, informal authority as distinguished from unclear or divided authority may work well. For instance, a supervisor may develop one of his men as an understudy and have him grow gradually into the position of assistant division head or of section head. The latter may not be recognized officially for years, but the staff knows that he acts in the name of the chief. Where two or more persons are in an ambiguous position, however, a clear definition of obligations is advisable. Sometimes the definition can be made on a purely experimental or tentative basis. More will be said later about these matters.

In some cases, the authority or responsibility for certain activities outside the jurisdiction of the junior administrator may not be clear. Since he is not in a position to clear it up himself, he and his subordinates need to exercise tact. For instance, a post may have become vacant with no clearly qualified person to take it; several persons may then share

a responsibility. In this case the junior administrator of another department may find that there is some demarcation of duties and will act accordingly.

Again, a man may have a nominal position but may be practically superseded by one or more juniors. Here considerable tact is required to maintain courteous relations with the senior and at the same time to refer matters to the person in actual charge of the activities. Sometimes a transaction is eased by the junior officer (or his supervisor) by saying to the nominal head, "I presume it is all right for me to take up this problem direct with your assistant, since he initials cases of this type."

Another kind of ambiguous situation arises when some small function is headed by a poorly qualified person with only a vague line of authority to a superior. This semi-autonomous arrangement may arise when through some recombination a forceful younger man has been put in charge of a department or group of divisions, but the management does not want to hurt the feelings of an older man in charge of an independent division. In theory he reports to a higher officer but in practice he reports only seldom and is left pretty much on his own. Where his work is related to other divisions strain and inefficiency may result, especially if he is not efficient and is sensitive about his prestige. Such a situation may simmer for a long time unless something grave arises.

A small technical section was headed by Atkinson, who was a good specialist, but had little awareness of the interrelationships of the work and was called "touchy." His section had an autonomous position in a large department, the rest of which was supervised by several men of good caliber. They found him hard to deal with, and yet cases were held up unnecessarily long in his section. Talking with him merely irritated him, and recourse to high officers hurt his feelings. Fortunately among his clerks was a senior woman who had a good grasp of the work. The other supervisors formed the habit of getting their own senior clerks to go to her to ask about cases which were unduly delayed, and had them iron out difficulties by direct dealings below the supervisory level.

SUMMARY ON ORGANIZATION AND STRUCTURE

The modern corporation of moderate or large size needs a definite and logical organization structure. The many minor functions should be arranged under a few major functions, each headed by a senior administrator. Below the top management the structure spreads out into departments headed by junior administrators, then into divisions and sections in charge of supervisors of various ranks. The departments should be laid out so as to group related activities together. At each level only as many persons should report directly to a superior as can efficiently claim his attention. The number of levels needed can be worked out according to the size of the company.

Not only should the present work be laid out in an orderly fashion, but great consideration should be given to the development at each level of men fitted to climb to the next level. An understudy system should prevail throughout the organization. Provision of opportunities for growth is important, particularly growth in understanding of the wide scope of the company's activities. Responsibility should be definite and should carry with it corresponding authority. Duties should be clearly allocated.

Although the junior administrator cannot himself change the relationship in other parts of the organization, he should do what he can to set up his own department in line with good principles of organization and should cooperate in making a smoothly functioning organization.

At all times he should attempt to understand the relations of his own department to other departments and to the specialized functions which have or are assuming a permeating character.

CHAPTER IV

THE SET-UP OF WORK AND CROSSWISE RELATIONSHIPS

THE modern trend toward departmentalization and specialization has brought an enormous increase in crosswise relationships among departments, in the development of specialized services, and in the provision of new ways of organizing and conducting the work itself. The set-up of the work affords fascinating possibilities for new methods which the junior administrator can foster with the aid of the planning department and of his supervisors. Although the junior administrator need not necessarily deal with such detail personally, he should realize the degree to which the set-up of work affects intimately the structure of the company, the effectiveness of its operations, and the development of its people.

SPECIALIZATION AND DEPARTMENTALIZATION

The second chapter brought out the widespread modern trend toward specialization, along with the necessity of departmentalization as business grows in size and complexity. A single case and the records about it may pass through a score or more of divisions or sections. For instance, a request for a dividend check in a medium-sized life insurance company may be handled by fifty or more clerks, from the time the mail comes in until the check is mailed and the disbursement is recorded and verified in the books of account.

The diffusion of work through a number of divisions has arisen not only because of increased specialization but also because of greater volume. When the work became too great for one individual it was often split between two persons,

each of whom did half of the steps on all the cases rather than all of the steps on half of the cases. Minute subdivision of work arose, perhaps in imitation of factory work. Moreover, as a division became large for the supervision of one man it was split into two divisions, each of which was made responsible for half of the detail.

Since the chief reason for subdivision is the value of specialization, both subdivision and specialization will be taken up together. Both are essential to modern business.

The advantages of specialization are many and fairly obvious. Of course there should be highly trained specialists to take care of technical parts of the work. Moreover, special skill is acquired when an individual in proper surroundings concentrates on some aspect of the work and masters the operation. A complicated machine, for instance, may be run advantageously by a definitely trained operator when it would not be productive in the hands of an inexperienced part-timer. Not only are experts on minute parts of the work developed, but also there is centralized responsibility for each part with the assurance of uniformity of practice and judgment. Costs per item may be reduced since many operations are standardized and performed quickly and accurately. Machine methods may be applied. The workers, moreover, may be selected for the work according to the aptitudes and skill required. Simple operations may be done by newcomers and the dull, while experts may be relieved of simple detail so that they can concentrate on aspects demanding skill and judgment. Each may be paid according to the skill and judgment required for the task. Training for a small portion of the work is easier than for a wider range of activities. Workers lose little time in changing from one type of work to another. The diffusion of transactions among a number of divisions may prevent fraud or make it more difficult. Cumulative checking may aid accurate results.

Not only should the full value of specialization be obtained but the disadvantages should be understood and mitigated.

First of all, the many handlings which result from the subdivision of work increase the "overall" time, namely, the time elapsed from beginning to end of the transaction. Getting the whole picture frequently takes considerable time, since records which are diffused in different divisions may have to be brought together or abstracted. Routine cases take more time in travel and waiting, due to the number of desks or divisions to which they are sent. For instance, if cases go through in batches of ten, the waiting time at each desk will be ten times as long as the time required for handling the average case. If the cases go to twenty desks and if each clerk spends one minute on a case, it would only take twenty minutes of actual work per case, but 191 minutes (over six hours) from beginning to end. If time is also lost in waiting for messengers and for carrying, the time will be much greater. Thus it comes about that requests arriving in the morning's mail may not be filled the same working day even if the actual work involved is slight. Interdepartmental and interdivisional scheduling may become of major importance to secure prompt handling; but scheduling is a complicated matter.

Special controls are usually necessary to see that there is a smooth flow of work from one division to another.

Two departments in a certain company were concerned in the issuance of new life insurance policies. Although the standard procedure of the first department called for sending cases through to the second in batches of ten, there were occasions when several hundred would arrive in the second department within a short space of time, after hours when nothing came through. The correction of this difficulty taxed the brains and patience of some of the best minds in the company. On the surface, the problem looked simple. Underneath, it was necessary to change the point of view and the working habits of many in the first department. Getting a smoother flow demanded quicker handling of the mail, faster matching up, better distribution to clerks who took action, a new system of conferences among technical experts, and educating the specialists in the importance of finishing up simple cases without letting them be delayed for an hour or so while some complicated case was being discussed.

Not only are extra records necessary as controls over interdivisional scheduling but also specialized records are used for handling the detail of the separate divisions. In a life insurance company, for instance, a common arrangement of records provides for a premium card for the detail of premium payments; a valuation card for the set-up of proper reserves; a dividend card for each policy participating in dividends; usually other statistical cards; and very often subsidiary cards for the title of the policy and for each policy having a policy loan (sometimes several sets for this purpose); and frequently a special card for payment of commissions to agents. The billing routine for sending out a notice to the policyholder of the premium due, plus loan interest due, minus dividend credit frequently involves the bringing together of three separate records. Companies which bill from only one card may have subsidiary records in specialized loan and dividend departments (from which postings are made to the central account card) and also statistical records to facilitate balancing. The wonderful developments of punch-card installations during recent years have cut down the manual work but have led in some instances to widespread duplication of records for specific purposes. Often the punch-card work is superimposed upon existing manual methods, whereas if the records were devised anew without the traditions of the company and the consequent habits of work and of thought, greater simplicity could be obtained. Specialization brings a need for different records; each new development tends to multiply these records; central balancing requires further records; the need for a composite picture brings about a combined record; and the cycle starts over again.

Although under specialization and subdivision the responsibility for the specialized item is centralized, the overall responsibility for the transaction as a whole is diffused. Different divisions may work at cross-purposes on the same case or different practices may be followed even with the same customer.

In one large company, two departments computed interest on different bases, one department using 360 days to the year and the other 365. Not only were some customers confused, but certain explanations in court were embarrassing.

When several departments or divisions are concerned in a transaction, conflicts may result, since any one of several divisions may logically claim jurisdiction over a part of the work. With cordial good feelings these claims may be resolved, but even with good will and friendly relations the boundaries of departments and divisions in a moderate-sized or large company may become formidable barriers to understanding. In a small business people learn of each other's activities in informal contacts over the work, at the drinking fountain, at lunch, and in the washroom. As a company grows in size such mutual knowledge and interest shrink.

Even the same word may be differently used in separate departments. In a life insurance company there were two usages of the phrase "dividends applied." In one department they were "applied" to the reduction of premiums; in another, to purchase paid-up additions. The clerks and supervisors in each department were totally unaware of the other usage. What would the policyholder think if he got two letters speaking of applied dividends in different meanings?

Clerks and even supervisors often feel in the dark about the total routine on which they work, since papers come from one department and are sent on to another. Except in a small office the clerks hardly leave their own rooms. The work is carried either by mechanical devices or by lowly messengers who are not yet versed in the work of the department. The author in her consulting work was frequently asked about operations in another department. "What use is made of this work? I have been told I was to enter this information, but I don't know what it is for."

Unessential work is often performed because those concerned do not know the preceding or following operations. Some slight extra piece of work often would obviate the

repetition of a whole series of steps later. For instance, a form drafted to serve as a work sheet for two departments may require slightly more fill-in in the first department but may save the make-up and checking in the second. Sometimes much unnecessary work is done on the assumption that another user needs it subsequently. The use may once have existed but may have been long discontinued.

Since neither supervisors nor clerks may know the handling of work in another division there is often much concealed duplication of activity. The natural wish to insure correctness of work may lead to extra checking to prevent error; and mistakes once found lead to lack of confidence and to further checking instead of to preventive action in the first division.

"Why do you check the detail of the cancellation of those papers?" the author asked a division head. "The Accounting Department has already stamped them cancelled to show that the work has been done."

"Oh, but we catch a great many errors," he replied, showing a detailed record.

"Does Mr. Johnson in the Accounting Department know the work is coming through incorrectly?"

"No, we have not kicked since he was put in charge, but his predecessor, Arlington, never did anything about it. So we just check it all over, and only put through those which we know are all right."

Later Johnson was shown the record of actual errors. He then changed the system of his predecessor. When the errors were reduced, the extra checking was cut out by common agreement.

The diffusion of work into a chain of specialized divisions leads not only to difficulties in coordinating the work but to a progressive narrowing of the range of activities of individuals. They may not understand the purpose of what they do nor how their work affects others later; or if they do understand they may feel powerless to influence the form in which the work comes to them. Suggestions frequently affect other divisions, and cannot be carried out or tried without much time lost in conference. The supervisor may try to do something about changes but the ordinary clerk yields to

apathy. Initiative is dampened; people tend to get into a rut and to suffer from monotony and boredom. Each person feels he is but one small cog in the wheel and that even if he does well he may not be recognized. Though special skill on the job will be noticed, general ability is harder to detect. Advancement, especially to any post of broad responsibility, is more difficult to obtain. The training of all-round men with a thorough knowledge of the company or of a large function of it becomes increasingly difficult. Minor posts increase since the diffused type of activity demands more specialized persons, more understudies, and more supervisors to direct the work and train the workers (even though the workers may be more easily trained). Mistakes due to narrow view increase although detail is elaborately taken care of. Red tape binds both work and worker.

By far the worst consequence of subdivision is "compartmentalization." Some organizations are split into compartments which are almost principalities. A feeling may exist that anyone from outside the department who makes a suggestion is interfering with the "divine right of kings." Rivalries, jealousies, and the temperamental incompatibilities of the heads of departments can sometimes be overcome only by years of patient effort.

In one company, the "compartmental" attitude had lasted for years between two departments with many interlacing transactions. The top management sought to overcome this. But through the habit of years, all matters were taken up only through the two major officers. They desired improvement. Since only important problems ordinarily came to them, many little problems remained unsolved and led to friction at various points. For instance, errors found by one department were corrected as best they might be, but were not reported back for correction or investigation.

The new junior administrator wished to make an end to the situation. He called in two of his leading supervisors, telling them to go with their troubles to an important supervisor in the other department. They were to make every effort to get friendly action from him. The three developed a method of recording the errors, and at intervals they conferred over the findings. Since the attitude was then constructive rather than fault-finding, solutions were arrived at, and conditions rapidly improved through better crosswise relations.

The realistic picture given of the difficulties which have arisen from specialization and departmentalization is a challenge to the junior administrator. The specific remedies are many but center around the need for understanding and for cooperation. First of all is an appreciation of the importance of crosswise relationships in the modern corporation. For years business has thought in terms of line authority, transmitted from the top downwards. The organization of crosswise relationships is one of the foremost problems of today and tomorrow. The second remedy is the right use of specialization. The third is to use ingenuity to devise new arrangements for overcoming specific and general difficulties.

The evil of compartmentalization is perhaps the most glaring example of the difficulties created by departmentalization. Here the lines of authority are usually exceedingly clear, but a strong feeling exists which makes interjurisdictional dealings formal. The attitudes of the senior and junior administrators are of greatest importance. If they are friendly, as in the illustration given above, they must then pave the way for direct relations at various levels so as to build up effective crossrelationships.

INTERDEPARTMENTAL UNDERSTANDING

Since in a modern corporation many transactions must cross interdepartmental lines the coordination between the jurisdictions of different officers is particularly important to assure smooth performance with a minimum of delays and errors and a maximum of economy. Although the attitudes of the top officers are significant, the senior officers are little concerned with day-to-day routine. The junior officer is much more concerned with routine and is necessarily the key man in achieving coordination. He can cooperate best when he understands what others are trying to do, when he knows their responsibilities and appreciates their problems. He should therefore know the broad functions of other departments and think about the relationships of his own department with others.

The junior administrator can learn about other parts of the business by utilizing opportunities to find out what he can. He can often hear much from his superior, and even more from his colleagues by drawing them out on their work. The more he knows about the rest of the business, the broader his own view and the more tolerant he will be in making necessary adjustments for the common good.

He can get on better with his colleagues if he understands not only their work but their personalities, minds, and interests. Many an occasion whether in the conduct of the work or in casual meetings at lunch, in the hall, or perhaps on the way home from work can provide chances for insight into their characters, ambitions, methods, and problems. The more chances of friction there are between his department and theirs, the more trouble he should take to understand them and their problems from their point of view.

Understanding the other person's point of view is a great help in getting across to him one's own needs in terms which are real to him. Sometimes a colleague will appreciate a difficulty if his advice is asked. Through his own detachment he may furnish just the right solution. In any case he will have a better understanding of the problem once he has thought about it from another angle.

Interdepartmental delays and difficulties can be cleared up better when the needs and interests of the other department are sought out and understood.

The work of the Forwarding Department was delayed because the Sales Department had to pass on irregularities in the salesmen's commissions before the case could go out. The junior administrator received complaints from his Forwarding Department, but before taking up the question of delay with the Sales Department he looked for a reason. He realized that handling commissions was only one small aspect of the sales work, and was therefore sidetracked. He approached his colleague with the attitude, "Of course this is incidental to you; but it is vital to our rendering good service for us to transact the business promptly. Can you arrange a way to help us out?"

Some delays arise because the matter is insignificant to

the other department, others because the type of work is considered extremely important and is passed on by technical specialists selected for their judgment. Often persons of this character do not see the value of routine or speed and therefore hold up cases unnecessarily. To secure speed from them their judgment need not be hastened but the timing should be improved. The junior administrator may say, "Of course we realize that you should be able to hold up these cases indefinitely if you need further information or if there is some point of judgment you must clear up. We were wondering, however, whether we could not speed up the handling of the routine cases by having those which are apparently clear, regular, and complete sorted out for immediate action by you. Then those that present some irregularity or demand special attention would not hold up all the rest."

Friction points should be handled with special care. It is better to risk delay than to take a matter up in anger. One should look for extenuating circumstances for the other person so as to avoid hurting his pride or arousing his antagonism.

The authority of others should always be respected, their interests touched, their aims appreciated. A little sincere praise, perhaps on a minor point, may make a good atmosphere for straightening out difficulties. The self-respect and self-confidence of another should be honored, not undermined.

The junior administrator should constantly bear in mind the human and technical interrelationships, and make sure that all appropriate parties are drawn in and consulted over problems.

"Who are consulted on new developments? I should say," said a senior officer, "it depended on whom you meet in the elevator. I find that sometimes the views of those only casually concerned are invited, while at other times those intimately responsible are left out."

The habit of looking over a problem to see who are in-

volved will yield big dividends in good will and better morale as well as in technical results.

Some expensive office machinery had worn out. Should it be replaced with another model of the same type, or should the work be revamped to use entirely different equipment? The latter course looked preferable, but involved a sharing of responsibility between two division heads or the removal of a considerable portion of the work from one of them. The specialist who was investigating the alternatives worked quietly by himself. A person concerned with the general aspects wished to see that all concerned were consulted, and said to the specialist, "Who else ought to be in on this discussion? Is there any one in the Sales Department?" The immediate reaction was favorable, and an appropriate person was drawn in. The specialist had begun the consultative process, and soon suggested himself that the two division heads be called in. At first the prestige of each supervisor seemed to be at stake. Neither wished to work closely with the other, yet a successful conclusion could only be achieved by cooperation. After a few meetings, both were searching for the best company result. They both went with the specialist to investigate the machinery used elsewhere, and each contributed his best wisdom to the recommendations.

The junior administrator can influence his subordinate supervisors also to take an inclusive view. Much ill feeling between departments will be avoided if the junior administrator trains his supervisors to think of the effect that their actions will have on others. When a matter is brought to him for decision he can inculcate this habit by saying, "Have you talked to So-and-so in the Financial Department? It seems to me this change will affect him or his associates."

The supervisors under the junior administrator will catch the atmosphere he sets. They will look for the good points in others if their officer sets the pace. They can learn to seek constructive ways of meeting situations. They may sometimes be slow in seeing obstacles in the path of another, but can be challenged into friendly and helpful attitudes. Other people tend to live up to the expectations we have of them. If the expectations are low the welcome surprises may be few. Even a prison warden finds that convicts respond in proportion to the good he sees in them. Business supervisors are not crooks: usually they are well-intentioned

and have more than average activity of mind and ambition, but they have defects that go with their good qualities.

DIRECT CROSSWISE RELATIONSHIPS

The junior officer can encourage mutual understanding by getting his supervisors to deal directly with the supervisors in other departments to iron out difficulties or to improve the routines.

"We don't have the same trouble we used to have in interdepartmental relations," a senior officer told us. "We used to have long delays getting information from the Sales Department. They did not appreciate the importance of prompt service. The change came about when we had a committee representing the sales, production, and technical departments to work out a new method of compensating salesmen. The men got to know one another and to understand one another's problems. Now if a difficulty arises, they clear it up among themselves. We are keeping some special committee or other going all the time now, to work out new problems as they come up. By varying the personnel, we are getting a real company spirit."

In the current theories of organization only formal relationships are provided for, yet the informal ones are vital

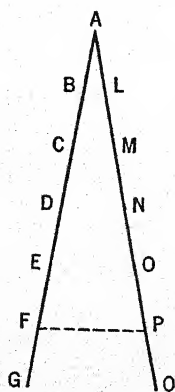


Figure 4.—DIAGRAM OF AUTHORITY

From Henri Fayol, *Administration Industrielle et Générale*, Dunod, Paris, 1925, page 48.

to the solution of organizational problems. In theory the lines of authority are arranged in pyramid form. Figure 4

reproduces a cut used by Henri Fayol, French engineer and man of affairs, to illustrate the need for cross-relations between those in different lines.

In the illustration, the superior officer A has subordinates B and L, who in turn have subordinates C and M, and so on down the line of authority. Let us suppose that a service under F closely touches a service under P and that some difficulty develops. Theoretically F should report the difficulty to E, E to D, and so on up the line to A, who then calls in L, who would consult M, and so on down the line to P who is immediately concerned in the problem. Fortunately, this theoretical picture is seldom followed when the organization is functioning soundly. F goes instead directly to P. They talk over the difficulty and reach an agreement. They will tell their own superiors the solution they have found or may consult them. If agreement fails or if an important principle is involved, E and O will be consulted. They may settle the matter or may refer it to their own chiefs. Only matters of considerable importance normally get up to A for a decision.

Direct relations among those of equal rank down the line ease considerably the task of official coordination. Many difficulties need the participation of those immediately concerned who can arrive at common agreements. Only major questions or those on which agreements are not readily reached should be referred upward to the respective chiefs. Therefore the junior administrator saves himself and his superior much needless discussion and detail when he encourages friendly and easy interdepartmental relations among the supervisors of his own and of other jurisdictions. The greater the cooperation and natural integration, the less is the need for formal methods of coordination and decision.

COOPERATION WITH SPECIALIZED FUNCTIONS

Many functions in a modern corporation are of a specialized advisory type. A man who has had special education or experience in law, medicine, accountancy, engineering, market research, and many other subjects can furnish valuable

knowledge and judgment. The division where he is placed may be of a general type to serve the whole corporation or may be set up specially to serve some one department. In any case, what he has to contribute should be utilized. Often the specialized function is not sufficiently used because different members of the organization do not know all the resources available. In fact, duplication of service often arises from lack of knowledge or of cooperation.

The junior administrator should know the resources of knowledge and experience available outside his own department and should make full use of them. When he has specialists in his own province he should similarly see that their functions are known to his colleagues and that the maximum advantage is taken of their knowledge. He can encourage others to use the facilities of his department if he has the reputation for seeing that they obtain prompt service.

Supervisors often do not turn to others outside their department for advice because they are unaware of the good to be gained, because they fear a reflection on their own knowledge or competence, or because they anticipate undue delay.

"It seems to me that this amended form should have the endorsement of the Legal Department before it is printed," asserted a consultant. "It may be called into court as evidence."

"Oh, no, we don't bother to get their opinion. They would hold up everything for weeks," was the answer from a supervisor.

The matter was taken to the officer in charge. "Of course the counsel should be consulted," he replied. "I think we can cut down on the time of decision if we mention that the form has already gone to the printer, and we should appreciate their comments within a few days. We do need the revision soon." He then saw to it that the opinion was sought, and used his good offices to get a prompt answer.

Some of the specialists set forth regulations which are mandatory on the junior administrator's department. Sometimes, too, the requirements from the technical point of view do not fit in with the common-sense needs of general administration. The junior administrator (or his assistants) must

then talk with the specialists in a tactful and cooperative manner. He should then remember that they know more about the specialty than he does, but that he may know more about applications to actual business conditions. A meeting of minds may require mutual tolerance and an interchange of facts and opinions.

Three of the most important permeating functions are those of personnel, planning, and control. The emergence of these functions as definitely organized into divisions or under important experts does not decrease the responsibility for performance by the line men. Junior officers and their subordinate supervisors are still charged with the responsibility for performing their operations with speed, quality, and economy. When specialized knowledge elsewhere in the organization can aid them, it is their duty to get the benefit of it.

The personnel function in many companies of moderate or large size is headed by a senior officer, the director of personnel or vice president of industrial relations. His role is to advise and assist the president and other executives on personnel matters. He exercises leadership in developing the best management of the human resources of the organization and stimulates wise company-wide personnel policies. Sometimes the actual policies are worked out by a personnel committee. Each line officer is concerned in carrying out the policies laid down, as far as his own province is concerned. The junior administrator should be aware of the importance of company-wide policies, since a suitable, happy and efficient working force is needed for the company as a whole and for his own department in particular. Only through the cooperation of middle management can a thoroughgoing and effective policy be framed, carried out, and improved. Each junior administrator should therefore draw on the personnel division for help in applying existing policies and in seeking improvements in all personnel matters. Chapter VIII takes up the junior administrator's part in personnel administration.

The planning or methods function is another permeating

function which has developed extensively and which in many companies is entrusted to a special division. The planning division works constantly on the improvement of methods, bringing suggestions for smoother routines, better machinery and forms, and closer coordination of the work.

The more complex the organization the more important is the constant attention to procedure by those in a position to know the interrelation of functions in different parts of the company. The larger the organization the greater the overlap becomes among different parts unless there is frequent review of operations carried on by persons who know the functions and routines. Members of the planning division can maintain contacts with the latest developments in the office-management field and with the various associations, keep up with pertinent periodicals, and make the latest contributions in office procedure available to all departments. Many times they form friendships with corresponding persons in other companies with similar problems.

The future trend in clerical work is probably toward the increased use of machinery for work not requiring special scrutiny, thus eliminating drudgery and reducing cost. The tremendous progress in punch-card equipment alone promises much and demands constant watching to make sure of its proper use. Moreover, planning specialists can weigh the advantages of machinery against work done by intelligent clerks near the source of the work, done by hand or with simple tools. Sometimes a supervisor is unduly awed by the apparent efficiency of new machines, forgetting that time may be lost in carrying work to a machine, matching it, and checking its consistency; and that machinery carries a high obsolescence cost and may be excessively expensive if not used to a fair percentage of capacity. While a good planning man will from time to time recommend an elaborate machine, most of his proposals will be for simpler, more direct, and less costly ways of doing things, usually without the purchase of expensive equipment. Often the apparent saving from a machine installation is the revision and sim-

plification of methods. A man who had had many years of successful experience selling a diversified line of business machines said, "The stiffest competition a machine salesman runs up against is a good clerk with a pencil and a piece of paper."

Members of a planning division can often save a great deal by installing more efficient methods, increasing speed and accuracy while decreasing unit cost. They can also gain economies by proper design of forms. They can eliminate unnecessary duplication of forms and records and above all, can contribute that overall view of routines which is so important to efficiency.

The junior administrator should make sure that his department is getting the benefit of specialized knowledge on methods. His attitude will determine to a large extent the way his subordinate supervisors work with (or against) the planning division. He should initiate consultations with the planning division men when they are likely to have a contribution to make.

When initiative for investigation of methods comes from the planning division, the junior administrator should encourage the undertaking. He should be receptive to suggestions the methods men make, usually referring them to the supervisors concerned or to assistants who can examine the proposals in detail. If suggestions do not look sound to his own men he should take the necessary steps to sift out the good from the inapplicable.

UNITIZATION

In order to avoid the evils of dispersion of work into a chain of divisions there is a trend in many companies toward a new mode of allocation. Under the customary "chain" arrangement each division takes care of one aspect of the work on all the transactions concerned. Under the "unit" set-up, a "unit" does all or most of the detailed tasks but only for a group of cases. Thus a unit handling accounting with branch offices may take care of all transactions of

certain types coming in from the southwestern district of the United States; and another unit may handle transactions from the Pacific Coast. Any particular case is dealt with as far as possible right within a unit instead of being passed from one division to another.

The split into units may be geographical, alphabetical, or arbitrary, but each unit handles all or most of the work on *some* of the cases instead of the detail of a certain type on *all* the cases.

Ideas as to the best size for a unit still vary considerably, ranging from very small groups of three or four people up to hundreds. The ideal size depends on many factors. The unitization preferably should be devised so as to preserve much of the specialization of knowledge provided by the former separate divisions. Thus skilled individuals working in specialized sections may remain together in a unit to handle the detail of certain types.

Delays in passing batches of work from division to division are prevented by the unit system. Records can be brought together, thus eliminating duplication and placing the users near the source of information. Even though the individuals specialize, they see more than one type of work and have an opportunity to learn other activities by helping out on peak loads, vacations, and so forth. Duplication in checking may be reduced. Errors are easily traced and corrective measures taken. Fewer persons handle any one case from start to finish. Moreover, the results in different units can be compared and friendly rivalry stimulated. Experiments can more easily be tried out. Those in the units gain a broader view and receive better training for higher posts.

Since the trend is relatively new, several specific illustrations are given, all taken from insurance companies.

An accounting department had grown up with several separate divisions for handling the posting of payments to individual records; the auditing of salesmen's commissions; changes of various kinds; look-up for other departments; and miscellaneous accounting

tasks. Reports and requests had to be circulated through the chain of divisions. The first step in the new arrangement was to set up a combined card record which showed the status of each individual account in regard to payments, commissions, changes, and miscellaneous items. The card records were divided into several groups of approximately equal size and activity. Several clerks were assigned to each group, and were responsible for maintaining much routine work on the records and for giving information to other users on a prescribed form. The first group to be installed was personally supervised by the man responsible for the change in system, who trained several senior clerks in the new detail. As other groups were established, clerks trained in the first group were put in charge. There were several sections doing parallel work.

A section head was placed over each pair of groups. Under him also worked a pair of clerks who made changes on the records and prepared cases requiring correspondence for his dictation.

The department head and his assistant supervised the work of the department, and in addition headed up a general division for miscellaneous accounting and special detail. Attached to this division were several "free lance" clerks who filled in for absentees and helped on peak loads for all the sections. A small section of junior clerks served all the other sections in messenger work, minor checking, and upkeep of alphabetic and other subsidiary files.

The new arrangement led to a considerable net saving. Moreover, the clerks liked the new allocation of duties, since their experience was broadened. It is to be noted that specialization of skill remained. Moreover, the jobs were arranged so that promotion could be worked out logically on grounds of experience and efficiency. A junior clerk got to know a good deal about the minor work of the division, and could be broken in on the card records. The senior card checker was in line for junior and then senior change clerk. A person who made good on this line of work could be taught miscellaneous work or could rise to be section head.

In another company, teams of clerks handled many transactions on the accounting cards, including records of policy loans and interest. However, separate divisions took care of auditing reports and payment of commissions; and the calculation and crediting of dividends.

The work was recombined in such a way that the auditing of reports and commissions was decentralized among the teams. Although calculation of dividends remained separate, the dividend credits also were placed on the master accounting card.

The handling of routine work was considerably speeded up by the new arrangement.

In a third company, the accounting work was still more diffusely spread out into divisions. The preparation of premium notices was

a separate routine involving several divisions. Records of premiums due were separately maintained. The report of premiums paid went first to this division and was later posted to the account cards in a special posting division, which also credited dividend payments of certain types. Still another division took care of other types of dividend payments and certain work on loans. Changes and correspondence were handled by specialists in a large correspondence division. Commission and tax work was also separate. The account cards were filed and pulled by a filing division.

An experimental unit was set up to try out the feasibility of unitization. A block of cases was assigned to this unit for servicing. Clerks from each of the divisions affected were put into the unit. Changes affecting a few clerks were made immediately. Most of the others, however, continued to handle the work more or less as they had in their former divisions. Changes in systems were then put into effect to take advantage of the proximity of the different sets of clerks to each other. Much work could be cut out entirely because of this proximity. Other changes rapidly followed.

When the success of the experimental unit was proved, three other units were created along similar lines. A small extra division handled certain types of technical work for all the units. A larger volume of transactions is now handled with a smaller clerical force.

A rapidly growing casualty company was unable to handle its work with sufficient speed. Especially was there delay in getting work through from one division to another. "Passing the buck" was frequent, but the customers and salesmen were not benefited. Five divisions were concerned, all under one officer. The management directed him to reallocate the work among five units. The files of applications and of account cards were split into five groups, the specialists such as underwriters, senior checkers, computers, and cancellation clerks were similarly divided up, and typists, stenographers, and junior clerks allocated. Five managers and assistants were selected from the department to head up the new units. Some of the latter did not know all the detail of the jobs they were called upon to supervise, and some were handicapped by the lack of training of some of their clerks. The officer therefore had weekly meetings of the ten supervisors to discuss common problems and developed an excellent esprit de corps. Certain senior clerks in various phases of the work also came to be regarded as company experts on certain aspects, and a unit clerk having a difficult case would consult the expert in some other unit.

The results of the realignment were eminently satisfactory. The delays were cut out, and the work handled promptly, only one unit being concerned in the particular set of transactions from start to finish. If work piled up, it was evident that either the

routine needed improvement or more clerical help was required. The supervisors had formerly been antagonistic to each other, blaming each other for mistakes and delays. Now they became cooperative in exchanging views, but very competitive to see who could demonstrate the best efficiency. Comparative records delivered weekly to the officer and to each of the unit managers spurred effort. Whereas formerly several of the supervisors had had a narrow field, all now had an equal chance for breadth of view. The officer permitted many experiments, but the weekly meetings for the exchange of ideas tended to keep practice uniform as far as the customer and the sales organization were concerned.

Where unitization has been put into effect economies have resulted. The greatest advantage, however, is found in the broader view and consequently keener interest of individuals.

A young clerk remarked, "Well, since I have been in the unit, I feel I can look any officer in the eye because I know I have done a good day's work."

Another clerk said, "The work is so interesting that we hardly notice the closing bell, and we don't mind overtime a bit. I have learned more in the six months I have been in the unit than in my previous eight years with the company. And I had been luckier than most, too, for I had been on several types of work during those years."

OTHER WAYS OF BRINGING RELATED WORK TOGETHER

Unitization is not the only way in which the principle of bringing together related work can be applied. Sometimes division lines are preserved, but advantages accrue when related divisions are placed side by side. Delays in transit are cut down, particularly on work where consultation between workers across interdivisional lines is needed. Proximity also brings a better chance of familiarity with some of the related work.

In one company, two closely related divisions were in opposite wings of the building. Much time was lost when conference was necessary, since cases were allowed to accumulate. Even routine work was held until large batches were ready. The space was rearranged so that both divisions were placed in the same large room.

In another instance, there had been rather bitter feeling between

two related accounting departments. Each accused the other about errors. The two departments were made divisions under the same chief. Although there was little change of work, the feeling improved, since the clerks got to know one another and to understand one another's work.

A combination of two or more divisions sometimes leads to better coordination and improved relations, even though the work itself is not amalgamated on unit lines. Changes affecting different parts of the work can be made more easily.

One company tried out a modified unitization. A number of divisions had handled different types of work concerned with several kinds of records of policyholders. About 10 per cent of the records were taken from each division and placed in a unit with 10 per cent of the clerks. Separate divisions were maintained, and the old systems were at first preserved. Proximity led to the cutting down of control records and to speeding up of transactions; and later the other records were simplified. The example of the unit inspired the "mother" divisions to speed up also!

PROBLEMS OF CENTRALIZATION AND INTEGRATION

The amount of dispersion of work or of function through "centralization" or "decentralization" is a subject on which much thought is needed. "Centralization," as here used, is defined as the bringing together of the same type of work in one centralized group. Thus a "central" stenographic department does most of the stenographic and typing work for a company. "Decentralized" stenographic work is the performance of stenography and typing close to the correspondent. Both centralization and decentralization of activities cause difficulties and demand integration and coordination. Viewed in terms of integration, it is a question whether the bringing together of almost all the stenographic work is more or less efficient than keeping together the total clerical work on a transaction by having the letter written where the other work on the case is performed.

The example of a central stenographic department is useful, because many organizations have benefited by establishing one. Properly run, this service department can perform

work of high grade with less slack time and more consistent output, not only in volume but in accuracy and speed. Time may, however, be lost in transporting dictating-machine cylinders and other material from other divisions. The correspondents may be hampered in their work. The transcribers may know less about the material and make more mistakes in understanding than if they worked closer to the dictators. Controls over the work are needed. Though a central department may have been set up to cut down cost and increase efficiency, after an interval a reversal of this program by putting the work back into divisions may also cut cost and promote greater speed and accuracy. This example is not cited to give an opinion as to whether centralized or decentralized activities are superior. Particular situations demand special handling depending upon existing conditions and the habits of individuals. No easy cure-all seems to exist. Only a thoughtful balancing of the special factors can point to the best solution in a particular instance.

When operations are performed in separate units, there may be duplication of machinery in the different divisions and this machinery may not be used to capacity. For instance, where stenographic service is decentralized and is performed close to the correspondents, the transcribing machines may only be used part time. Moreover, a girl skilled enough to transcribe well may use the rest of her time on other work requiring less skill.

When machinery itself is expensive a centralized machine unit will normally be created. Thus an addressograph division will commonly serve the entire company. The same is true of punch-card equipment. Wherever this machinery is under the jurisdiction of an officer who is interested primarily in one use, there may be a hesitation on the part of those in other departments to utilize it. Facilities used by more than one department should be controlled with utmost fairness. The junior administrator who has the punch-card tabulating division, for instance, should make every effort to give his colleagues the same rights he expects himself. A careful

system of priorities may need to be worked out to insure that the most important matters for all the users will be taken care of ahead of secondary matters for the man in control.

"I knew this installation would effect economies for the Agency Department," remarked the head of a punch-card division, "but I had a hard time selling them. They told me that they had to have their figures early in the month, and that they knew darn well that the actuary would get his first. What then would happen to them if the actuary called for special information? I finally sold them when I had a schedule worked out giving them priority on one tabulating machine. They always get their figures on time. If my own boss wants extra work, I just have to explain to him that I cannot use their machine for him until their regular work is finished."

DECENTRALIZATION IN LARGE ORGANIZATIONS

In large organizations the necessity of decentralization has become increasingly recognized. In broad activities of the federal government, for instance, as in multiplant corporations, the degree of decentralization has come in for much scrutiny. Delegation of responsibility and authority to subsidiary organizations, especially to field units, is an essential to quick and effective action. However, this delegation is based on common policies and standards. Consistency in adherence to these policies is controlled and aided by advisory assistance in developing common goals and techniques, and by inspection on the spot.

The problems of optimum allocation of work and responsibility are fascinating and afford wide scope for present-day invention. Whatever the set-up, specialization of activity has come to stay but with it has arisen the need for new means of integration and coordination, for broad understanding and for continual cooperation.

CHAPTER V

THE JUNIOR ADMINISTRATOR AND HIS SUPERIOR

TO THE junior administrator the most important person in the organization is almost always his own immediate superior. This "chief" is usually a major officer in charge of a function or a group of related functions. The relationship, both personal and official, has much to do with the effectiveness of their joint work and is particularly important to the junior. No matter how excellent may be his policies, they can be carried out only with the assent of his chief as long as the two occupy their respective ranks. His own advancement depends greatly upon his learning to work well with his chief. If he does so he is apt to be drawn increasingly into important decisions and should have opportunities to broaden his own experience and to be ready for greater responsibility.

In some cases the chief has himself selected the junior, trained him, and secured his official appointment. In others the senior may have been put over the junior from outside or from elsewhere in the organization. Again, the senior may have had little or no part in the appointment of the junior who may have been designated by still higher officers or may simply have been the natural man to appoint in spite of any objections the chief may have had. In any case the junior can carry out his responsibilities effectively only if he works loyally with the chief, rendering assistance as well as he can, and trying to win and hold his superior's confidence and, if possible, affection.

The junior administrator should consider building up a constructive relationship with his chief as primarily his own

responsibility since he has much to gain or lose. A basic requirement is mutual appreciation. He should therefore look for the key to this by careful study of his chief's personality, the deepest elements in his character, his temperamental traits, his imagination, his reasoning processes, his interests, and his desires and ambitions. The junior should evaluate his chief's strong points to make the most of them and the weak points to avoid difficulties. Always he should respect the other's strengths and have as much tolerance and human understanding as possible for his weaknesses. Further, he should bring out those good points of his own which the chief appreciates, and do the best he can to curb aspects of his own personality which annoy or antagonize his superior. By thus working along lines which add together the valuable aspects of each personality and which avoid emphasis on those traits of character, mind, or point of view which create friction, a mutual respect and understanding may be built up. Only through sincerity can enduring relationships be made; therefore tricks by which the junior can put over his own way are not recommended.

This book is written on the assumption that practically never is the individual perfectly fitted for his job. Therefore, in the usual situation both senior and junior officers will be moderately or excellently capable for their positions, both will be keen to do their best (or very nearly so), but both will have weak points as well as strong. Ideally, the junior should be different enough from his chief to complement him in type of mind and talent, but not incompatible temperamentally and intellectually. Often, however, a man will choose as an assistant a person who shares his own particular strengths and weaknesses; on the other hand, two excellent individuals may be thrown together who are so apart in their views and methods that they have extreme difficulty in appreciating each other's value. If the incompatibility is so great that a happy relationship cannot be built up, the junior will do well to resign or to seek a transfer. The usual type of situation, however, can be

worked out with patience, efforts at mutual esteem, and tact.

The junior, if different in type from his chief, often has embarrassing situations to meet. He may spontaneously view situations in another light, and his ideas of what is to be done may run counter to his chief's. This difference of view should be prized rather than deprecated. Two men who do not see eye to eye may get a more comprehensive view of the situation than would either alone, but their contrasting angles of vision should be made clear to each other. The junior particularly should strive at all times to appreciate his chief's views, and to give him the benefit of the doubt at moments when he is inclined to criticize.

The junior does not wish to be a yes man or a rubber stamp for his chief. The yes man has less repute now than formerly, when organizations were headed more often by aggressive and pioneering types than by the modern kind of senior executive who has learned to weigh the complex and interlocking factors of modern business. The junior, if he is to fulfill his role as aid to his chief, should use his mind intensively, thinking through his problems and devoting thought also to problems of his chief on which his advice may be sought. His own future advancement will lie to a large extent in his ability to cope with problems broader in range than those with which he is directly charged. He will therefore devote his attention to the broad as well as the narrow aspects of his task. He will avoid interfering in the affairs of others but will study the needs of the situation where his sphere of responsibility is involved, and will be prepared to cooperate with all to work out common problems.

A junior administrator who consistently views his responsibilities from as broad a plane as he can will sooner or later be called on for his views. Before presenting them he should check himself to make sure that he has considered the human angles of the situation and above all, the feelings and modes of thought of his chief. He will not advance the situation if

he presents even constructive ideas in a form which will arouse antagonism. The junior should learn when to speak and when to be silent; what opportunities to take to press his points; what occasions are suitable for taking things up; what type of presentation helps to make his position clear; what treatment facilitates the making of decisions. He can do this by analyzing the situation, planning his approaches, noting his successes and failures, and comparing them to his previous expectations. He can deliberately vary his methods to test out his anticipations.

Some people are at their best early in the day, some late, and others in between. Some are irritable before lunch and in the late afternoon. A particularly good time for important decisions may be after lunch, when many people feel at ease; others may feel let down and need time to get back into their stride. Some people prefer to do individual work early in the morning or to look at their mail or dictate. Others like an early conference if talking is easier for them than solitary concentration. Some types are receptive to new ideas only when they are relaxed and have time. Others are lethargic except when under considerable pressure and can be approached best at the moment when they are under full steam but not too busy on a concrete task.

One mercurial individual gave an interview at a railroad station to an applicant for an important executive position, and finished his inquiries, as the applicant ran along the track, with the remark: "Talk it over with your fiancée, and if we all think well of the idea on Monday morning, we'll go ahead." A telephone call Monday settled the salary (unmentioned previously) and ended in a definite appointment.

Such a procedure to persons of a deliberative type would be unthinkable.

Monday morning or the day after a holiday is commonly found to be a bad time for an important conference as people may be relaxed or fatigued from their days off or else have their own work in mind. The end of the work week, Friday afternoon or Saturday morning, is another time

Some people are moody and are unreceptive to even the best of ideas if they are themselves irritated or depressed.

In the words of a junior officer, "When I got to the President's anteroom, I knew from his voice he was in an off-mood, and I decided I only had an unimportant errand with his secretary."

Treatment of different aspects of the junior administrator's relationships with his chief follow in the sections below.

WORKING WITH THE CHIEF IN RUNNING THE DEPARTMENT

The junior administrator's chief duty is, of course, to run the part of the business definitely delegated to him by his superior. It is only by the proper organization of his own work and its delegation to competent assistants that he is free to take on further responsibilities and to understudy the chief. He must carry out the policies of his superiors. If he can improve on these, in his own opinion, he must do so by the due process of getting instructions changed.

The junior administrator should make a particular effort to master work formerly the direct responsibility of his chief so as to develop a sound relationship for the future. If this part of the work is unfamiliar to him, he should learn it without undue delay. The senior should exercise only enough supervision to make sure that no major difficulty arises in the learning period; afterwards he should continue only a general oversight such as he maintains over other types of work.

Two men, formerly heads of important divisions, were promoted, one to become a senior officer, the other a junior officer, in charge of a department consisting of these and other divisions. The senior moved to the executive floor and was no longer in contact with the detail of a rapidly growing department, but the junior had an office immediately adjacent to the work and was called on to administer its affairs in detail. At first the senior officer, of course, knew much more than the junior; but years later he still felt that he knew more and continued to pass personally on even slight changes. With the press of his other duties, delays arose. Further-

more, as the work grew the junior was himself hampered in the proper delegation of his administrative duties to competent understudies, since the chief showed that he expected him to be as personally familiar with the details of the work as the chief himself had been. The junior officer unfortunately did not devote sufficient time when first appointed to learn the details under his supervision, and leaned too heavily for a while on the chief's advice, thus building up habits for them both which interfered with the best management of the department.

KEEPING THE CHIEF INFORMED

The superior officer should be kept informed on the progress of the department. Records of performance will be dealt with in a later chapter.

The way in which information is given should depend a great deal on the chief's type of mind. A deliberative type wants information well in advance of the need for decision. Another type may want the information arranged in a particular way: statistical or graphical presentation may be wished. Another has no use for detailed statistics but wants the trends summarized to show the significances.

The junior administrator should acquaint his superior with specially good work done by his assistants.

"When I have a man who shows promise, I bring him to my chief's attention on a suitable occasion. For instance, the chief may ask for some information. I may then say, 'Mr. White has all this material at his fingertips. May I ask him to come in?' In this way, the chief gets to know personally the men I am developing. When I recommend a salary increase or a promotion, he knows the men and their value to my organization."

Many unpleasant surprises are prevented when the chief is currently informed of problems and difficulties and of steps which are planned to meet them. A supervisor may not be living up to expectations. The fact should be mentioned and a statement made of what the junior officer has done and expects to do. Mishandled correspondence may have occasioned trouble; delays, particularly those affecting other departments, may be a source of complaint: remedial and preventive measures should be outlined.

Constructive plans for the future should also be mentioned at an early stage, so that the chief may know what is going on and add his own suggestions. Also, his mind will be more receptive to the conclusions reached if he has had a chance to think over the possibilities. Equipment or machinery may be wearing out: studies for proper replacement are being made. A change in methods looks desirable: one or two men are working to see the possibilities. The legal department has made a new ruling: cases coming under it are flagged and referred to a designated person to see that proper action is taken.

If an executive flares up over things which go wrong, information about unfavorable occurrences should be given to him with the right slant, minimizing rather than exaggerating their importance, and protecting individuals who, although involved, may not be particularly to blame. The junior should stress the remedial measures he has in mind and accept the blame personally for what his subordinates have done wrong. Extenuating circumstances can be tactfully presented.

A junior administrator had been training one of his key supervisors for years, and had large faith in Thompson. The chief had at first overestimated Thompson's abilities, then for a long period he seemed to underestimate them. After much effort, the junior officer secured Thompson's appointment as second in command of a large division. Just afterwards, a series of errors came to the chief's attention. He was angry, and of course, blamed the new appointee. The junior officer investigated and was convinced the errors were due to several clerks who were substituting on jobs made vacant by illness. He showed that Thompson was training clerks throughout the department properly to understudy the jobs, and that recurrence of errors was unlikely.

The junior administrator can render important service both to the chief and to the organization by cultivating awareness as to what is going on and by telling the chief what he sees, hears, and feels. The higher the rank the harder it is to remain in close touch with the "feel" of the organization. The junior officer is less marked off by rank

and responsibility than is a major officer. He gets more comment and mixes more freely and therefore knows better what is on the minds of supervisors and of the common run of the employees. He can therefore see grievances, difficulties, and grounds for discontent, often before those concerned realize the situation themselves. Preventive measures are more worthwhile and less time-consuming than remedial ones.

In acquainting the chief with developments he must always be careful not to betray secrets. A tactful and honest way to convey a picture can be found, though it may take time to find or develop it. Once he is aware of a situation he can accumulate facts which can be presented without disclosing confidential information or compromising his informants.

The behavior of a young officer, Jones, was leading him into difficulties, since others were beginning to be resentful of his autocratic methods. He was giving instructions over his own signature which should only come from his chief. An investigator heard of the situation through colleagues who wished to be protected against having divulged information. Particulars on one or two instances showed that the resented instructions came through a memorandum made up by a duplicating process. By a coincidence, this process was giving trouble. The investigator in the course of his work looked into the imperfections and delays of the process. He asked for samples with the remark, "Do you have a file of processed copies which I could look over?" The file was handed over, and included the memoranda complained against. The investigator then had the evidence. He noticed the irregularity, and asked the superior officer about it. The latter said the procedure was not correct, and he would take steps to remedy the situation.

"How did you get these?"

"Through looking over samples of the duplicating process."

"Oh," said the superior, "I get copies of these and never pay any attention to them—they seldom concern me. I will ask my secretary to bring them to me; then I can notice them just as you did and I will take occasion to comment on them to Jones."

The young officer was told how to perform his duties constructively, and the antagonistic feeling on the part of his colleagues disappeared.

Frequently small grievances or annoyances undermine the efficiency of people and keep them in a restless state of mind,

particularly when there is injustice or the appearance of it. Corporate ignorance is often a chief cause of grievances.

In one company, the Payroll Department allowed vacation with pay only to employees who were continuing with the company. Girls leaving to be married in the spring or summer did not get a vacation with pay; those leaving in the fall had had one. Some girls therefore got married soon after their vacations and gave the company insufficient warning. The more conscientious ones felt cheated by the company. The higher officers did not know of the practice, and when it was pointed out to them, they indignantly changed it. Much annoyance could have been saved if a junior officer had brought the practice to their attention some years before.

The junior officer can be useful especially by watching the border lines between different groups of departments and knowing where frictions or lacks of cooperation or co-ordination are likely to occur. He has day-by-day duties which call these to his attention. The organization is well served when he gives the chief the benefit of what he sees. The particular occurrences may be outside of his immediate province, but with tact he can often bring them to the attention of the proper parties who can then take preventive or remedial action.

GETTING ACTION ON RECOMMENDATIONS

The junior administrator has many recommendations which must secure his chief's approval before they are carried through. Once he receives a "No," he can reopen the subject only with difficulty. Therefore he should master the art of making suggestions, bearing in mind the particular interests, knowledge, and ways of thought of his chief so as to save the time of both. Suggestions are dealt with further in a later chapter.

Ideally, the junior administrator should sense a need a long time in advance, work out his method for meeting it, and then bide his time to get a decision. In this way he avoids the difficulties of opportunist decisions which are made for some particular exigency and which very likely

will need modification for any long-range use. His foresight and vision will save much executive time in the long run, for the chief, for himself, and for his own assistants. Preparing the ground with thoroughness will be a short cut to accomplishment.

The junior officer should present the material on a recommendation in digestible shape. The greatest impediments to prompt decision are the faulty working out and presentation of suggestions. Subordinates should be trained to set up recommendations in an acceptable form, taking into consideration the mode of preparation the chief can deal with most readily and quickly. Particular care is needed when the proposal will go to the chief's superior or to an interdepartmental committee, as is frequently the case where matters of general policy or large expenditures are involved.

The junior administrator should himself be convinced of the workability of proposals submitted to the chief. Ordinarily, those immediately concerned should already be in agreement with the plan. Affected permeating functions should be consulted. When other departments beyond his own province are affected, they should normally (unless secrecy is required) be sounded out before the matter comes to a decision, or the junior administrator should have an accurate idea of how they will be involved and what the reactions will be. He should not take up the time of his chief unless he feels that the change can and should be put into effect or unless he wishes the preliminary advice of the superior.

The chief, to make a wise decision, must be interested in the problem raised, must see the need for a solution, and must have enough background material to understand the particular plan offered. Further, he usually requires time to turn over the proposition in his own mind to mature his thoughts. He does not readily reach a conclusion when he himself is swamped with work, preoccupied with other things, unaware of the need for decision, or when he is not feeling well. Therefore the time chosen to bring a matter up for decision should be opportune.

Most chiefs are too busy on problems they consider pressing to consider new ones unless the importance is apparent immediately. Arousing interest is therefore essential. This may be based on the anticipated increase of efficiency or of service, or on the decrease of expense, delays, annoyance, or errors. The need for a solution may be brought out by showing that a new situation has arisen. The volume of work may have increased; sales conditions may have altered; new legal requirements may have been made; a new type of activity may have grown up rapidly or may be advisable.

The particular plan offered for the solution of a problem may be only one of many possible answers. The chief will wish to know that alternatives have been examined, and may himself want to weigh the evidence for each. He may devise a better solution or make a constructive contribution. The junior administrator who wishes to get plans through without amendment is taking a narrow view and is not looking for the intrinsically best solution.

The background of the chief enters the picture in several ways. First, he may be out of touch with the particular activities concerned in the recommendations. Adequate explanation of the situation should be given to bring out the salient facts. Second, the chief may himself have close contact with the work, and may therefore be critical of changes. In such a case the nature of the recommendation may need to be gone into thoroughly. Third, the chief may once have been familiar with the work and may see things as they were rather than as they now are or will be in future. If he was satisfied with past experience he may be inclined to let well enough alone rather than take a chance on an improvement which might not materialize. Thus a natural conservatism arises. If he himself built up previous practices his pride also may be involved. Concrete proof may be needed to show that the situation has changed; for instance, citing a difficulty recently encountered may show that

a modification is needed. If the senior likes statistics, actual figures may be illuminating.

The temperamental traits of the chief must be considered in any presentation. Since it is here assumed that neither chiefs nor juniors are perfect, their relations will work most smoothly when each takes into account the strong and weak points of the other. Pride and conservatism are both justifiable qualities, but they may also be obstacles to action.

Conservatism may be based not only on confidence in the tried but also on fear of the unknown. Perhaps another fear may be a potent influence toward change. As a prominent psychologist says, "Many a man has been driven through a forest of wolves by the fear of a ghost." Playing on another's emotions, especially the emotion of fear, should only be done after careful thought.

A junior officer saw that the use of some new equipment could simplify the work and give better results. His chief, however, was unsure about the expenditure. The junior got the authorization by the following remark, "Our competitors, the White Company and the Royal Company, are installing this equipment. If their executives tell our chief executive of the new results they are getting (as they doubtless will, for I hear they are very much pleased), what can you say when you are asked why we did not make the installation also?"

The chief may be one of those persons who himself wishes to be the originator of all improvements. Action can best be obtained with this type by gradually suggesting bits of the contemplated plan. The chief in this way gets the idea and may even believe it is his own.

Sometimes a chief is a temperamental objector.

One junior officer with a chief who generally reacted negatively to the suggestions of others met his situation by a tentative method of bringing up a subject: "I have been thinking of such and such a difficulty, and it occurs to me the solution might be so and so. Do you think off-hand of any objections?"

The objections were usually forthcoming.

"Thank you. Those are important points. I shall not bring the plan to you until I am convinced these can be met." He knew then the track his chief's mind would follow, and could work on the specific points. After several tentative conversations, the chief's

negative reaction was over, and the merits of the case could be reviewed.

Negative reactions are particularly difficult to deal with, since they usually go back to childhood patterns and may be closely bound up with character. The person dealing with such an individual may be tempted to deviate from a strict sincerity to accomplish his purposes, perhaps even suggesting the opposite of what he wishes. Sincerity is, however, essential to a permanently satisfactory relation. A tendency to react negatively can be used to get constructive criticism.

Now and then personal dislikes prevent the adoption of otherwise acceptable ideas. The suggester may be someone down the line or in another department whom the chief does not like. Sometimes in the interest of efficiency the author of a plan should be treated anonymously.

The author in her consulting work has frequently received excellent suggestions from persons of all ranks. Often she has been told, "Feel free to use my suggestion if you wish, but don't say that I am responsible for it. So and so never adopts any suggestion which he thinks emanates from me." At first she would not mention the name until the idea had been adopted, but she found that sometimes the personal antagonism of the officer to the suggester ran so deep that when she told the name the officer would say, "Well, if he had that idea, why in the blazes didn't he tell me before? Is he afraid to say what he thinks? You cannot rely on him anyhow!"

Valuable changes are sometimes not acted on because the chief is idealistic or perfectionist. He may hold things up because he wants to be sure that the change will be as good as possible. Demonstrating some concrete immediate values for the change sometimes gets the improvement under way, with the idea of working out further refinements later.

AIDING THE CHIEF

The junior administrator should try to aid his chief in as many ways as he can, not only that he himself may render service but also that he may learn the principles and methods concerned in the administration of the rank next higher than his own. "Staff assistance" to a chief by men of younger age

and lower rank than the junior administrator is recommended in Chapter XII. Since most companies have not developed staff assistants, specific ways in which a junior can aid a senior officer are included in the present section.

The chief will of course consult his junior administrator on matters affecting the latter's departments. He is likely also to turn to an able assistant for advice and aid on general problems of larger scope. The junior officer should school himself to advise his chief to the best of his ability.

The junior officer may get together pertinent information as a basis for action. Sometimes he reviews information or recommendations already made by others. He thus digests the proposals, calling for additional facts and explanations, if needed, or getting the chief to do so.

He should particularly ask himself what persons are likely to have a contribution to make. With modern specialization, the wisest decision often demands an integration of the best which each of a number of specialists can give. As far as practicable, interested parties should be consulted in advance of decision. Not only may they have valuable views, but also they will carry out the ultimate action with better understanding and more cordial cooperation if on the one hand they have been consulted and if on the other they have had time to think the problem over.

Sometimes decisions are of such a character that they cannot be discussed freely with interested parties in advance. Such decisions, for instance, may affect the status of some particular person or may involve the redistribution of functions.

The junior officer must of course be careful not to consult people directly unless his chief so desires, but he can tactfully do some exploratory work. Where persons of equal or higher rank are affected, he should be especially discreet in order not to tread on their toes.

In his advisory capacity the junior officer should bear in mind the technical factors involved in a course of action. He should evaluate the techniques which come within his

own knowledge and point out any flaws in proposals. When he does not have competence himself in the field, he can aid his chief by making sure that the proper people pass upon the technical points.

The human factors should be kept in mind at all times. By constant effort he will learn to forecast the reactions of specific types and groups of people to certain actions. He can therefore help his chief to secure prompt and effective cooperation by dealing wisely with human relations.

The long-range effects of a decision should be checked. What are the chances that the decision is incorrect, and if it is, will the effects be serious? Even if the decision proves wise, what interactions will arise and what kind of adjustments and changes will become necessary? Is the particular activity part of a comprehensive program?

The junior administrator is valuable when his sound judgment aids his chief in arriving at the proper and farsighted decision. He is even more valuable when his insight prevents mistakes which otherwise might be made. Such mistakes usually are due either to consequences unforeseen by the chief or to persons whose objections will have a serious effect on cooperative execution. Tact in putting decisions through is often as important as the soundness of the action itself.

The junior officer can greatly aid the chief by embodying a general decision in proper form. Details must be worked out and practicable instructions formulated. Who should be informed? and how? He can perhaps also see that the instructions are properly interpreted and put into effect or can set up machinery by which the chief can easily do so.

The junior officer can aid by making certain types of decision himself. He should be especially careful about saying "No." Often affirmative decisions can be made by an assistant when negative decisions should have the chief's personal action.

In the chief's absence he may make decisions which nor-

mally he would refer to his superior. He should do so only on matters in his own province.

While the chief is away the junior administrator has an especially good chance to show how far he can understudy his chief. How he measures up to the opportunity will be determined to a large degree by his day-to-day watchfulness and ability to acquire knowledge of how affairs should be transacted. If day in and day out he has done his best to assist his chief in large and in small ways, he will find that in the chief's absence he can perform service useful to the organization and invaluable to himself in giving him further insight into the policies of the company.

At times when extra responsibility is thrown on him he should be careful not to exceed his authority and not to do things in a way which may need to be undone later. He must not let his own personal views prevail, but should act in a manner consistent with the general policies of the organization or of his chief.

When the chief returns, the junior should report with care on everything which the principal should know. The chief will be busy in resuming his duties and should not be swamped with detail. The junior should report to him first on major occurrences and on important unfinished business, adding, "When you have time, there are other things I should like to bring to your attention." Unfinished business can be referred to the chief in a form ready for action. Completed correspondence and other items can be saved for a still later date and brought up with the statement, "I thought you would want to know how these things were handled. You will also be interested to know that in your absence such and such occurred." Within a few days the chief should have in digested form all relevant information so that he will not be at a disadvantage in future dealings. He will not, however, return to a desk covered with correspondence and memoranda nor to the necessity of long conferences over seemingly unimportant details.

Another way in which the junior officer can assist his chief

is by making contacts for him. Such assistance is very welcome but is a considerable burden to the busy junior and should properly be done by a staff assistant.

Often the senior is busy when visitors arrive. The junior can see them, perhaps with the remark, "Mr. — is much disappointed to be tied up this morning. Between his engagements, he hopes to speak to you for a minute." The junior can find out what the errand is, what information is desired, and so forth, put them at ease, get their story, and in a brief time tell the chief what is wanted.

The junior officer can follow the same course with persons inside the office who want to talk with the chief. Here again, he can express the chief's wish to see them but save time by getting their views and desires. If he knows the chief's reaction he can act instead of the chief or prepare the way for brief handling by his superior.

ATTITUDE TO THE TOP MANAGEMENT AS A GROUP

In the foregoing discussion it was assumed that the junior officer dealt almost invariably with only one superior. There are occasions, however, when a junior administrator deals with his chief's own colleagues and superiors. In any case the junior fits into a framework where he is only one of a group of similar rank and where he reports to an officer who in turn is part of a group. His responsibility is not only to his superior but to the organization of which both are a part. Usually it is considered that he takes orders from his own chief to whom he owes implicit obedience. This is true only within limits. The concepts of management are in course of modification. Authority is coming to mean less; the "law of the situation" is meaning more. The attitude of saying, "Yes, sir," rests all too frequently on the military conception, "theirs not to reason why, theirs not to make reply, theirs but to do and die," or on the "master and servant" relationship. The employee of a modern corporation is not, however, the servant of his superior but is hired by the corporation through its properly constituted authorities to work

in a certain capacity. To be sure, the immediate superior usually has the power to discharge, but the current trend is to protect the employees of all ranks against the arbitrary right to discharge without due cause. The modern officer, as distinguished from the usual employee, is even less the servant of his chief. For his own good he will do well to cultivate the appreciation of his chief, but his loyalty and duty are first of all to the organization as a whole and beyond the corporation itself to the public and to those principles which honorable men hold dear.

The development of management as a profession (already referred to) changes inside business relationships. At any time in the past an honorable man would have known that he should protect the company if his chief actually forged a check or were otherwise downright dishonest. In less serious situations, however, he might have paused a long time before taking any action which might be construed as disobedience or even serious difference with his chief. A junior administrator now may hesitate to point out to a chief executive a situation where he feels his superior is not taking the right course.

A recently promoted supervisor was investigating some company records, and found that a practice had been followed which prevented the field men from getting their full contractual rights. He brought the facts to his junior administrator, who took them up with his senior. The latter was disinclined to carry up further a situation which might reflect on the work of his departments. What should the junior administrator do?

A new legal regulation made necessary some new and far-reaching instructions to field representatives and customers. The officer in charge drew these up just before going away on a trip. The memoranda were printed and came to the junior administrator to dispatch. He saw serious flaws, but his sense of loyalty led him to issue them as prepared by his chief. When the chief executive later received a copy, he sent for the junior administrator and severely censured the instructions. The junior took the blame in silence, out of loyalty to his superior. Should he have stated his own disapproval? Should he have taken the instructions first to the chief executive before releasing the printed memoranda?

An officer in an administrative position owes a loyalty to the corporation as a whole to think through the problems in which he is concerned and to dispute with his chief any policies which he believes, after due consideration, to be damaging to the company as a whole or to the part of it committed to his charge. If he fails to convince his superior, the door to the next higher officer should be open. Naturally he should hesitate to go over the head of his chief, since the loss of cooperation may be serious. He should not do so about little things, even if he feels strongly about them; nor about a difference in judgment about the means to accomplish a common purpose. Even a large disagreement over a relatively minor issue should be ignored. On a matter of major policy, or where an important principle is at stake, or where the chief's superiors are known to have strong views running counter to those of his chief, or if he thinks a serious misstep may be made, he should take the matter up with a higher authority. He should have the courage of his convictions and put his principles first. A man who gives consistently loyal service to his chief will be all the more respected in the long run if he puts ahead of this his loyalty to the company (including his colleagues and the rank and file), and beyond that, his duty to the public.

CHAPTER VI

THE JUNIOR ADMINISTRATOR TAKES CHARGE OF HIS DEPARTMENT

THE junior administrator frequently takes charge of his department in a buoyant atmosphere of self-confidence and high hopes. His initial plunge into his new duties is exhilarating. If his predecessor was outstanding he wants to equal and surpass the achievement; if he knows there were faults in the old regime he is full of ambition to correct them. He will be glad later if he takes time at the outset, before he becomes immersed in duties, to examine what he wants to accomplish and to analyze what his problems will be.

The first steps of the officer have a significance in the minds of his subordinates out of all proportion to the intrinsic importance of the moves he makes. He should therefore be especially careful in his early contacts. First of all he should try to inspire his subordinates with confidence in himself as leader. He does this by setting their fears at rest, by showing himself friendly to all, and by getting them to work with him. He should feel his way with care and refrain from making changes until he knows the interrelations of the work and the caliber and relationships of the people.

His appointment may have aroused fear among both supervisors and the staff, fear of being displaced or shelved, fear of changes they will not like, fear of criticism of what they have done. He should try to set such fears at rest.

A man was promoted to be officer of his department. He called in the supervisors in his jurisdiction and explained to them that he had some new ideas for the department, but that he would not be in a hurry to put them into effect. First of all, there was much for him to learn about the functioning of the department as a whole, since formerly he had been familiar with only one aspect. He hoped

for the cooperation of everyone in bringing about improvements, and would like to receive suggestions from them and from their subordinates at any time. He warned them that he would not take action on their recommendations until he felt he understood the interrelationships of different parts of the work. Their fears were set at rest, and a cordial feeling was developed.

A new president was appointed. He called in each vice president, asked what he did, and in a number of cases, terminated the interview with, "You are fired. What you do is not worth what we are paying you."

Even those retained shivered in their shoes.

Particular care should be taken with those who may have aspired to his own position or those who might fear that their prestige may be impaired. Sincere praise from his lips for whatever values he can see in the old regime may go far to ease the atmosphere.

The officer should show himself friendly toward his people and should get to know them promptly. There is magic in calling people by name, in a pleasant smile, and even more in remembering little things about them. An officer can build a reputation for friendliness by taking the trouble to memorize the names of many of his subordinates. This can easily be done even in a large department from a list of persons arranged according to the floor plan in each division. Many people think it a special capacity to remember names and faces, yet bank tellers, railroad conductors and others learn to place a large number of people. If when the officer has some small point to take up with a supervisor he will himself walk to the latter's desk he has a chance to greet or smile at a number of persons. The elevator and the hallway furnish opportunities for passing the time of day, for inquiring about someone who has been home sick, and for commenting about some staff activity.

This friendliness is a good outer sign of something more fundamental, namely, respect for the individuality of others. The wise leader guards himself from showing the slightest disrespect to the intelligence or character of another. He should assume that each person has some good motive for what he does, and even that every step in the business is or

has been performed for some good reason. To be sure, the reason may have been good only in the distant past, but at least this may be made an extenuating circumstance. People are more free to take a constructive attitude when they do not feel the need of defending their actions to themselves and to others.

His own office should be easily accessible to his subordinates and if possible centrally located. The senior officer is often removed from the floors which he directs; the junior officer should remain close to the work and approachable by his subordinates.

One junior administrator whose chief task was to effect a re-organization withstood the temptation to have his new office in a quiet and sequestered corner of his floor, and chose a central location. The office had formerly been used by a division head, and had the advantage of glass partitions, affording a view of the department.

It is highly important for him to have a first-class private secretary who can serve him acceptably. She must above all things be discreet so that he can tell her whom he wishes to see, when he must not be interrupted, and what type of thing he wants brought to his personal attention. She should be aware of what goes on and friendly with people in the department, but she must refrain from gossip. If possible, he should have someone who has worked with him before, or one who knows the organization well. In the latter case, she should be a person whose loyalty to her new chief can be relied upon. The secretary's job is further described in Chapter XI.

The junior administrator should attempt to get people to work *with* him from the outset. If he has risen through the department he is more likely to know how to deal with the individuals constructively. However, he may not know certain aspects of the work and he can enlist the help of one or more assistants as he masters the department as a whole. He should review the department and check over the personnel in his own mind, with caution about any prejudices

he may have or may be accused of. If, on the other hand, he has gained his experience elsewhere, he has much to learn and can encourage those under him to give him the benefit of their knowledge. Particularly, he should become familiar with the relationships of the different divisions and of the persons who hold key positions.

The officer can find out much by being a good listener. He must carefully avoid all appearance of gossip, but his colleagues and others will talk if the opportunity is presented. Conversation can often be led to a point where the name of the person about whom he wishes information is naturally mentioned. Chance remarks may shed an interesting side light. There are certain persons with whom he can legitimately discuss individuals. He can usually talk freely with his own understudy or with other responsible people such as the staff nurse (sometimes!), and representatives of the personnel and planning divisions. His own superior officer can often tell him much and can at least compare notes with him.

Aside from direct observation and from listening, the officer can reflect about the situation to see how different items come to make a pattern. He sees how people react in little ways. Soon he has clues to be further developed by observing and listening.

The reactions and interactions of individuals go to make a composite picture, which is sometimes called "morale" or "atmosphere." The questionnaire given below gives a further indication of the type of observation and reflection which help an officer to gage the individuals and the group.

QUESTIONS TO GIVE INSIGHT INTO MORALE

The junior administrator should first ask the questions in Groups I and II about the individual supervisors.

I. *Attitudes of the Supervisors Toward Their Jobs and Each Other*

1. a. Are the supervisors informed about their jobs? Do they understand the interrelations?

- b. Are they interested in their work, in improvements?
- c. Is their initiative cramped?
- d. Are they proud of their work?
- e. Are they discouraged? If so, why?
- f. Do they look forward to advancement?
- g. How free are they in expressing their thoughts? Do they report promptly on defects in equipment, failures in method, and so forth? Do they make suggestions without hesitation?
- h. Are they open and frank? secretive?
- i. Are they good enough for their jobs? too good?
- 2. a. Do they cooperate with each other?
- b. Are there unpleasant relations or undue rivalries?
- 3. a. What can I judge about an individual supervisor from his face, manner, gestures, voice, and smile as to what he is like and how he will act?
- b. Is he under tension? If so, in what ways is he apt to break down? Can I help relieve the tension?

II. *Attitudes of Supervisors Toward the Staff*

- 1. a. What are the views of the different supervisors on handling staff?
- b. Do they treat people as individuals, making allowances for their differences of reaction?
- c. Are they selective in the motives to which they appeal? When they use fear as a motive, is it with particular study of the individual? Do they appeal to the desire to do good work? to advance? to take added responsibility? to earn more money? to belong?
- d. Do they encourage the staff to learn more about the work? to make constructive contributions?
- e. Do they appeal to the group spirit, the desire to be helpful, to serve the customer and the community, to have pride in the organization?
- f. Do they nag? drive? coerce? threaten?
- 2. a. Are they approachable? too friendly? too lenient? If not approachable, is it because of a reserved temperament? because they do not think much about the human factor? because they put people off by looking busy and uninterested?
- b. Are they just? Impartial in fact and in appearance? Do they in any way give the impression of having favorites?
- 3. a. Are they consistent with the same person on different occasions and with different persons? Are they consistent about granting requests?
- b. Is praise used fairly? Do they remember to praise the

consistently good people as well as those who show improvement?

4. a. What attitude do they take toward mistakes?
- b. Do they make a fuss over trifles?
- c. Do they sometimes overlook things which should be taken up?
- d. Is constructive criticism used?
- e. Do they say things behind people's backs?
- f. Do they ever reprimand publicly?
- g. Do they give way to anger, sarcasm, ridicule, belittling?
- h. Do they appear small or mean?

III. *Atmosphere of the Staff*

1. a. Is the atmosphere happy? composed? businesslike? orderly?
- b. How do people take extra work, overtime, rush work, work due to absences?
- c. What is the reaction when requests are turned down? when others are promoted?
2. a. Is there sometimes an hysterical atmosphere? Do the girls ever cry? If so, why?
3. a. Is there an atmosphere of strain, nervousness, jumpiness?
- b. Are people glum when they leave for lunch or return to their desks?
- c. Do they bound up to go out as though released from tension?
4. a. Is the spirit of the group cooperative?
- b. Are there one or two who break down the team spirit or hamper it? How can those who assist and those who hamper be reached better?
- c. Are many indifferent to group participation? How can they be interested?
5. a. Are they punctual?
- b. Do they waste time, especially by too frequent or too lengthy visits to the lavatory? by too early closing off of work at the end of the day?
- c. When work is slack, do they seek other work?
- d. Do they report when equipment or methods are faulty or there are breakdowns in the work?
- e. Do they freely make suggestions?

IV. *The Junior Administrator and Morale*

The junior administrator should reread sections I and II and see how the questions apply to his own treatment of people and the impression he creates on them. In addition, he should ask himself the following questions:

1. a. Is the policy of the management interpreted properly in my department?
b. Is it applied differently in other departments?
c. Do I make rules which should be general?
2. a. Do I reflect nervousness from my superiors?
b. When fault has been found with me, do I pass it on unjustly to my subordinates?
c. Do I appropriately take up for my staff to my colleagues and superiors? Do I ever let them down?
3. a. Are the supervisors friendly toward me?
b. Do they like me?
c. Do they toady to me?
d. Do I bring out the best in each?
4. a. When I keep people waiting, am I considerate enough to let them know how long it will be so that they can use the time?
5. a. Can I take further steps to let the staff know that I am kindly, just, and take an interest in their welfare?
b. Do I help them to be good members of a team?

Persons of unusual ability can often be easily recognized. Less outstanding persons may not be so readily detected, especially if there has been a period of stagnation. As the junior administrator checks up on who the key men are he should also beware of hurting others. He may have trouble in using the capacities of the best people without damage to others of equal or higher rank. Those already in good positions should be given the benefit of the doubt and helped to qualify. Those who are growing should also receive his attention and aid. The development of competent supervisors is dealt with in the next chapter.

Appointments to vacant or to new positions of importance should be made only after deliberation and consideration of the probable effects on morale. Not only should the junior administrator be convinced that the candidate is of sufficient caliber to succeed in the long run, but also he should think over whether the consensus of opinion in the department will agree with his judgment. Those already in important positions should have full opportunity to make good on their own jobs and to compete for advancement. Especially when the department has in the past been stag-

nant and when initiative has been stifled, people may be only half using their capacities. They should have a chance to show what they can do under a constructive regime. Appointment from outside the department or outside the usual channel of promotion within the department should be made only after the officer has satisfied himself that the logical parties are not able to make good. Especially those who thought they were in the running should be considered, since any slight or demotion, apparent or real, is likely to have a damaging effect on the morale of all.

In one case, the chief supervisor retired. Several supervisors aspired to succeed him, but none seemed clearly qualified. The administrator announced that the position would not be filled, but that each division head would report personally to him. He thus gained time to let the best man develop under his tutelage, or to keep his hands free to appoint someone from the outside.

The junior administrator should arrive at his program for the department after due deliberation and with knowledge of the facts of the situation. Making an initial inventory will give him important data for later thought and a balanced point of view to approach problems. Here are some questions he should ask himself:

QUESTIONS ON STATE OF DEPARTMENT

1. a. What is the broad objective of the department?
 b. Is this now well accomplished?
 c. Where does the department fall down in reaching the objective?
2. a. Are important changes in the responsibilities of this department likely? What developments can be foreseen?
 b. Is the department likely to expand, contract, or remain stationary? especially in relation to the company as a whole?
3. a. Is the department arranged in divisions and sections with clear-cut allocation of responsibility?
 b. Is arrangement logical?
 c. Is there effective coordination between related divisions and sections? Is cooperation good?
4. a. Are the supervisors and assistant supervisors competent for the present? for the future?
 b. Are technical specialists well trained? Is their view broad?

- c. Are important jobs understudied?
- d. Is there an adequate supply of promising people?
- e. Who are the key people ?
- f. Who are growing? Is there room for their capacities?
- g. Who are standing still? Are they able to hold their own?
- h. Who are slipping backwards? Must they be replaced? If so, when?
- i. What limitations are there to supervisory effectiveness? narrow view? exaggerated idea of their importance? jealousies?
- j. Are the rank and file well trained? interested? cooperative? of proper grade for their jobs?
- k. Does it appear that there are too many or too few persons on the staff?
- l. Are salaries out of line? upward? downward? Are there injustices?
- 5. a. Is the work of proper quality? Is judgment good? Is accuracy good?
- b. Is work done with due speed? Are there delays or points of friction?
- c. Is the work done economically? Should methods be revised? Is there much evident room for savings?
- d. Are control reports made up periodically to show the performance of the major tasks of the department? If so, do they give a clear picture of results? Do they give me and my subordinate supervisors adequate information for control?
- e. Is equipment for the work modern? sufficient? Does it need replacement?
- 6. a. Shall I personally have to handle much day-to-day work? Do I start with a capable secretary? with competent assistants?
- b. What steps are necessary in improving the department? How far along on the improvement do I expect to be in six months? one year? two years? five years?

Tentative answers to these questions will give the junior administrator a good foundation for developing his program so that he can ask questions, amass information, and gain more insight into the problems before him.

When intellectually he has mastered the field, he should use tact in informing others of his purposes. Most people need time to readjust to a new set-up, therefore carefully selected suggestions dropped from his lips may start processes of thought which will enable his subordinates to agree with his ideas. A wise administrator will not only refrain from making "changes for the sake of change," but also

will initiate changes in a way which makes the accommodation of others easy instead of difficult.

Where old-timers are present he will especially consider their reactions. Appreciation of their past contribution and of the present value of their knowledge and experience will incline them to fall in with new policies which otherwise they might oppose on the ground of precedent and inertia. A tactful explanation of his purposes and methods may include proof that times have changed, thus necessitating adjustments of system. People are quick to defend the rightness of their own past conduct, but most individuals do not oppose adaptation to new conditions.

Wallace, a new junior administrator, had in mind far-reaching revision of method in his department. His subordinate, old Mr. Davenport, was opposed to all change. Wallace consulted him frequently nevertheless, and one day sent him a memorandum proposing new procedures. Davenport studied this and sent back careful rebuttals, pointing out the dangers of novelty and the values of the current system.

Wallace sent for him and said, "Thank you, Mr. Davenport, your comments are most worthwhile. I am going to pay great attention to what you say, because you point out clearly the values of the present system, which we might otherwise lose, and also the snags we might run into. I find the younger element is inclined to jump to conclusions, you know. We need the benefit of a truly conservative mind like yours, which wishes to conserve the advantages of what is good in the old system, and to protect us against difficulties in the new. I rely on you for constructive criticism."

Many of Davenport's points were well taken and were included in the revision. Consultations continued frequently. When the time for action came, Davenport cooperated 100 per cent, even though he retained some doubts. The plan worked.

Some persons are too lacking in the necessary abilities or too far entrenched in their old traditions to carry on the work effectively. They must be either replaced, assisted by a competent person, closely supervised from above, or moved to other work. The handling of misfits is a challenge to the best that the junior administrator has to contribute. Possibilities are described further later.

An atmosphere of change may need to be brought about

gradually so that it is viewed as natural rather than as something to be feared.

A department had settled into unprogressive routine. One division particularly did not measure up to the performance of competing companies. The shortcomings were carefully explained to the division head, a woman who had formerly not done her own thinking, but had merely taken orders from her superior. Shocked to find that the work was unsatisfactory, she was very cooperative in following out suggestions. Her new superior sent her and her assistant to visit corresponding divisions in other companies. They came back thrilled with the possibilities and went to work with a will to bring their work up to standard. She said, "I feel as though I had awakened from a long sleep. When I first took charge, I was ambitious and had new ideas, but I soon found my suggestions were not welcomed. So I just fell into a rut. In another five or ten years, I don't suppose I could have taken hold again. You can't imagine what this change means to me. I come down to work all excited at what is to be done, and I don't even notice when the office closes. My sister says she cannot get me home."

A momentum of progress is built up slowly, especially the constructive type which rests on the sustained and cooperative effort of a group rather than on the dynamic energy of one or two leaders. It means the creation of a team spirit where all work together for the common objective and where all want short cuts to its attainment.

CHAPTER VII

DEVELOPING SUPERVISORS

IF THE human material were perfect, supervisors would not stand in need of development, in fact they would hardly be required. Things being as they are, the chief task of the junior administrator is to develop his people and in particular his supervisors and those who may become supervisors.

The junior officer should watch the caliber of young men in supervisory positions. If they do not show ability to handle people, they should be put on individual work of equal or higher grade if possible. It is better even to demote a man in the early stages of his career than to allow him to become rooted to a position where in the long run he will not give satisfaction.

One of the most gratifying things any man can do is to train and guide a man of promise.

A young man came with the company from school. After a few years as clerk in the central bookkeeping department, he became a junior field auditor and thus gained an intimate knowledge of the company's field office problems. He was called in to the headquarters to reorganize a backward division under the guidance of his junior officer. He made an outstanding success. One of the ways the officer took to develop him further was to send him on visits to other companies, so that he might become familiar with the ways other organizations operated. On these trips he picked up information which was useful not only in his own but in related divisions. His chief set him to work on other revisions. When the time came for a thorough reorganization of the whole department, he was chosen to head the committee and install the new system. In a few more years he became a junior administrator.

Another young man worked up through a division and became assistant head. The planning man saw his aptitude, and selected him as understudy. He thus got an interdepartmental view, working on form revision and installation of methods. He then became

head of his old division, and developed good understudies. His junior officer decided to give him wider experience, and transferred him to another and more important division, where he did reorganizing work. He rose to assistant head, then head. He had an understanding nature, and saw into many interdivisional problems. His chief frequently used him as liaison man. Often he worked on special problems for the chief, and became an invaluable assistant. One of his greatest assets was his regard for the feelings of others. He was an accepted emissary of the chief to other division heads, and saved his chief much time.

The junior officer can aid promising men by providing them with an opportunity for broader experience and by giving them the benefit of his own accumulated knowledge. He can help them to see why things are as they are and how they can be modified for the better. Above all, he can give constructive criticism of what they do and how they do it. Such constructive criticism is even more needed by those whose faults stand in their way.

A young supervisor of a division of thirty-five people was doing clever work. He had talent for devising systems, and was appreciated by the officers. He was criticized by his colleagues and subordinates, however, for the way he handled his people. He was considered harsh, sarcastic and dour. One day he commented to a colleague, "What I enjoyed most about my trip to New York was watching the people and wondering what went on in their minds. I certainly am interested in people."

The colleague seized the opportunity, and said, "Did you know you have the reputation of being harsh with your staff?"

He was much surprised, and talked eagerly as to how he could modify his behavior. Subsequently he was much depressed, taking the criticism to heart. He consulted his superior officer and his immediate supervisor, and set about finding ways of changing his exterior reactions. Within a year, his natural attitude of friendly interest and his wish for cooperation were showing themselves. He was big enough in character to be grateful to the friend who brought his reputation to his attention.

Some men need help in developing their good points. Encouragement brings them out.

"I certainly appreciate how my chief handles me. I am impetuous, and when I get a new idea, I don't want to wait to find out what is wrong with it. My chief used to stop me and warn me, but he never convinced me. Then he let me have rope to hang

myself. He would say, 'Go ahead and try it. See how it works yourself.' Then when the difficulties arose, I wished I had paid more attention to him. I think he was awfully smart to learn how to run me. Now I go to him meekly and say, 'I think I really have an idea, but I should be much obliged if you will tell me what is wrong with it first.' " This man had an original mind and a dashing personality. After some years of his chief's tutelage, he developed much greater balance and rose high in the company.

Some men have weak points which interfere with their progress.

An important division head had an excellent understudy named Black. When a new subdivision was to be built up to handle special work, Black was put in charge of it. He later became assistant to his junior officer to work out an important reorganization. The chief commented, "You know, I had a hard time developing Black. At first he was shy and hesitated to present his own opinions. He was excellent about writing up mine, or making investigations for me. I kept at him, and made him express his views to me. Now I can turn a subject over to him and he can prepare work for my signature."

The shyness was quite overcome in dealing with division heads on behalf of the officer, except his own former supervisor. Here his old habit of deference to a superior prevented his showing the new forcefulness he had developed with others.

Sometimes a casual word, properly timed, gets through into a person's mind and sets up a reaction.

One brilliant young man was excellent regarding work but had little tolerance for his subordinates' slowness or other failings. He consequently was an unpopular supervisor. One day he remarked, "I don't think the young men nowadays are of as high caliber as when I came with the company. They don't work as hard, and they seem to me to be slow in understanding. Anyway, I cannot make them understand."

"Is it quite fair for you to compare these younger men with yourself?" asked a friend. "It seems to me quite natural that they should be slower than you. You have an unusually quick and bright mind. Look how far you have risen. They cannot all do as well as you."

"I never thought of that. I just thought they were dumb. Now you put it that way, I guess I expect too much of them."

Relatively small points often stand in the way of a person's advancement. Quite commonly supervisors and even

officers allow a man to go on under a remediable handicap because they would feel embarrassed to mention it.

"I don't know which of my section heads should become division head," said an important supervisor. "I think the best man is Root, but he makes such a bad appearance. He goes around with his coat off, sleeves rolled up, and his vest on. Half the time he looks dirty. Yet he is a fine fellow, and has a much better grasp of the work than Cameron. I somehow cannot bring myself to speak to him about his appearance, for fear he might take offense."

A man was not considered suitable for advancement because of a neglected care of pyorrhea. Nothing was said to him.

Comments from a junior administrator frequently do aid.

A young supervisor was sloppy in his personal appearance. After his marriage, his looks improved. The junior officer complimented him on this, but commented to a friend later, "The improvement wasn't very much, but it gave me an opening, and he has continued to get better."

A section head was not getting cooperation. His supervisor told him that it might be because he was not courteous. The man was annoyed at first, but thought the comment over, and came back for further help. He made a special point to be courteous, and later reported that cooperation was easier to get.

Some men seem continually to stir up trouble. The remedy may be to load them down with more work.

"It is hard to tell just how much work some men can handle," remarked an officer. "I have found that as soon as Jameson has any time on his hands, he can stir up no end of trouble. He just is not busy enough, so I load some new work on him. I have done this again and again. He has extraordinary energy! I have not reached his saturation point yet, but he already does the work of three or four men."

Many men need help particularly in their dealings with people. A person often shows his capacity as a clerk on an individual job. He studies and applies his brains and gains technical competence. The supervisor sees that he is a valuable man and very likely promotes him to be assistant head of the section. For the first time, perhaps, dealing with human beings becomes important.

The "student type" in particular is apt never to have thought much about making his human contacts effective. At school or college he may not have exerted himself to enter into social or other extracurricular activities. The young actuarial student in a life insurance company is a typical example. He devotes many years of night work to passing the mathematical and other highly technical examinations. When he finishes the course he seeks new activities for his ambition and may develop an excellent comprehension of the work of his department. Then if he rises to a supervisory position he may have difficulty in dealing with the common run of clerk. He needs to develop human understanding and sympathy.

"You should have seen Mr. MacArthur when he was in charge of my division," a supervisor commented about his junior administrator who had become outstanding in his human qualities of leadership. "He was a regular martinet, and made us toe the mark. You would not think he was the same man. It was only when he realized severe methods did not draw the best out of people that he began to cultivate the art of encouraging us rather than criticizing us."

"I have trouble with Adams," said a junior administrator. "His capacity is excellent, and I can see that he is going to rise fast into the official ranks. But he is conceited and bumptious, and antagonizes people with his cleverness. He has a good heart, and will, I think, mellow with experience. But just now I am having a time with him."

Such persons need to take to heart what Dale Carnegie says of a leading American:

Ben Franklin tells how he conquered the iniquitous habit of argument and transformed himself into one of the most able, suave, and diplomatic men in American history.

One day, when Ben Franklin was a blundering youth, an old Quaker friend took him aside and lashed him with a few stinging truths, something like this:

"Ben, you are impossible. Your opinions have a slap in them for everyone who differs with you. They have become so expensive that nobody cares for them. Your friends find they enjoy themselves better when you are not around. You know so much that no man can tell you anything. Indeed, no man is going to try, for the effort would lead only to discomfort and hard work. So you are not

likely ever to know any more than you do now, which is very little."

One of the finest things I know about Ben Franklin is the way that he accepted that smarting rebuke. He was big enough and wise enough to realize it was true, to sense that he was headed for failure and social disaster. So he made a right-about-face. He began immediately to change his insolent, bigoted ways.

"I made it a rule," said Franklin, "to forbear all direct contradiction to the sentiments of others, and all positive assertion of my own. I even forbade myself the use of every word or expression in the language that imported a fix'd opinion, such as 'certainly,' 'undoubtedly,' etc., and I adopted, instead of them, 'I conceive,' 'I apprehend,' or 'I imagine' a thing to be so or so; or 'it so appears to me at present.' When another asserted something that I thought an error, I deny'd myself the pleasure of contradicting him abruptly, and of showing immediately some absurdity in his proposition: and in answering I began by observing that in certain cases or circumstances his opinion would be right, but in the present case there appear'd or seem'd to me some difference, etc. I soon found the advantage of this change in my manner; the conversations I engag'd in went on more pleasantly. The modest way in which I propos'd my opinions procur'd them a readier reception and less contradiction; I had less mortification when I was found to be in the wrong, and I more easily prevail'd with others to give up their mistakes and join with me when I happened to be in the right.

"And this mode, which I at first put on with some violence to natural inclination, became at length so easy, and so habitual to me, that perhaps for these fifty years past no one has ever heard a dogmatical expression escape me. And to this habit (after my character of integrity) I think it principally owing that I had early so much weight with my fellow citizens when I proposed new institutions, or alterations in the old, and so much influence in public councils when I became a member; for I was but a bad speaker, never eloquent, subject to much hesitation in my choice of words, hardly correct in language, and yet I generally carried my points."

Dale Carnegie, *How to Win Friends and Influence People*, Simon and Schuster, 1937, pages 149 and 150.

A good man may be handicapped by a lack in technical training. The wise superior either encourages him to get it by night courses or otherwise; or else develops him in a line of work where technical qualifications are not needed.

"I am worried about the future of Peters," commented the vice president. "He is in a highly technical line of work, but he can rise no higher because he lacks the educational background. He

knows the work by experience, but he cannot qualify as officer. Have you any suggestions?"

"Yes, I have. He is a particularly valuable man, in my estimation, because he has a keen sense of humor, deals well not only with his subordinates but with his colleagues, and understands the work. It is true that he cannot qualify as officer in charge, but he can be the leading nontechnical man and can become an administrator. If he remains where he is, he can become the right-hand man of the new officer. On the other hand, he could be moved to another department, where his outstanding qualities may open up official opportunities to him."

"I want your advice on Lamson," said a senior officer. "My junior officer is inclined to think that he cannot rise any higher because he is not an actuary. He has a good mind and an excellent comprehension of the work from the practical point of view. He cannot, however, pass the actuarial examinations, since he is not good in theoretical mathematics. We want to develop him. For instance, he ought to read what the actuaries publish about new methods. He seems to be shy about this, perhaps due to an inferiority complex."

The next step in drawing Lamson out came when his superior gave him a volume of actuarial proceedings, and said, "There are three good articles in here, Lamson, about new developments in method in other companies. I heard the speeches, but I don't have time to study the articles. Please go over them carefully and bring me a criticism of the methods. Are there any which we ourselves should try out?"

Lamson got some valuable hints from the articles and installed a new system which he cleverly adapted from what he had read. When he was set the task of actually reading the proceedings, he found that with ordinary good sense he could understand what they were about. A first dent had been made in his inferiority complex.

Often men are subject to criticism for the kind of letters or memoranda they write. Most business people are not taught to correspond.

If one takes extra carbons of every letter written by several correspondents during a week, one can get an excellent sample of a division's work. Aside from the revelation of snarls in the system and of errors in judgment, the usual batch of letters gives horrible examples of how not to write. Common failings are ungrammatical construction, incorrect spelling and punctuation, hackneyed, stiff, and

meaningless phrases. Moreover, a division may develop a kind of jargon intelligible only to itself and not to the public.

Correspondence in one insurance company seemed particularly full of phrasings which could be misconstrued by the public. It was found through a correspondence test given to a cross-section of the staff within the company that not even the insurance clerks knew the meanings. One of the phrases to be interpreted in the test was: "*Without prejudice*, we are putting the note ahead for one month." The meaning was that without prejudice to the company's claim, a further period for payment would be allowed. Some of the clerks' answers were:

- "Without any ill-feeling"
- "Entirely free from self-interest"
- "In fairness to you"
- "Without any strings whatsoever"
- "Voluntarily"
- "Unconditionally"
- "In accordance with the company's regulations"
- "Without obligating you any further"
- "For the convenience of the policyholders"
- "Without further question"
- "Not considering any past dealings or indebtedness"
- "Although not compelled to do so"
- "An unnecessary phrase"

Companies which have carefully analyzed their letters and trained the correspondents have vastly improved the quality of the output. Where this has not been done, a promising man may be held down because his superior fears that an unfortunately phrased letter might be sent out. Naturally, the higher the position of the writer the more essential is the use of judgment in what to write and the more important are careful phrasing and good English. Most people can be taught the mode of expression. Certainly they can be provided with stenographers who under their own instruction will not permit bad phrasing and improper English to go out.

"When Dick first began to write memoranda, you should have seen the flowery style," said a junior administrator. "When I had to pass on some, I made it a point to change the wording into ordinary English. Each time I explained to him that I did so because most people preferred simple and straightforward wording in busi-

ness; a more ornate style was appropriate to literature. He saw the point, and now writes a clear and forceful style."

The junior administrator should himself be on the lookout for talented men to train into supervisory positions. Those who make good suggestions, those who are good mixers and get on well with others, those who are good correspondents, should be watched and given opportunities to try out their capacities.

Jones, a young correspondent, did not seem much better than a couple of other men on the job, but he developed quickly in the employees' association. His officer noticed his rising popularity. Not wishing himself to single out Jones, he tipped off a supervisor to feed him some books. Jones read them. The ball started rolling. Soon the chief was able to use him on some special assignments. He developed rapidly, in line for promotion to a supervisory position.

The junior administrator himself can give a group of his men an intensive training. He should especially take under his own wing the more promising men.

One junior administrator had a large division with several section heads and several persons who were producing worthwhile ideas. He had them meet with him each week in what he called a "cabinet meeting," where present difficulties and future proposals were informally discussed. This meeting was supplemented by frequent conferences with one or more men working on a specific problem.

These able men often develop a fine breadth of view. The junior administrator can help them by giving them the advantage from time to time of his own broader opportunities for contacts both inside and outside the company, and by sharing with them his knowledge and experience. He can pass on to them items he picks up in his dealings with his colleagues which shed light on mutual problems. He can interpret to them the opinions and reactions of others and help them to see different points of view. He can suggest reading and study. He can get them to serve on interdepartmental committees and perhaps send them to meetings or on trips as described later.

TRANSFER FOR TRAINING

One of the best ways of developing a supervisor is to give him an opportunity to learn the work of several divisions or departments. The advisability of transfer for clerks is dealt with in the next chapter. Transfer is an excellent way to develop versatility as well as a broad view. When national conditions drew many men out of a business into emergency service, the replacement of supervisors in key positions was greatly aided by a program of transfer. It is also valuable when the company as a whole or a particular part of the work is not expanding. Ambitious men feel that they are making progress if they are learning new fields.

A young man who had made good as head of his division had trained another to take his place. He was shifted to a more important division where his previous superior had taken charge and was himself made an assistant there. At first he was put at learning the work by making a desk-to-desk survey of some actual routines. He made many valuable suggestions to his supervisor. The two together remodeled the systems of the department.

A capable young man in a technical department was selected as official timber, and was placed on special work in the division closest to the junior administrator. He was given a variety of assignments to test his capacities, to teach him the work of several divisions, and above all to get him to work closely with his superior. In a few years, he not only gained a knowledge of the work, but from his officer learned much about the art of handling people, in which he had previously been deficient.

Another man had served for years as a section head in an active division. The posts ahead of him were filled by competent men not much older than himself. It was decided that he should receive a more general training. He was transferred as a senior clerk to another department. Rapidly learning the work, he was soon asking questions regarding the systems. His detached view led him to see many places where greater efficiency might be effected. Since he had tact as well as brains, he devoted his attention to examining places where the routines of the new division crossed into other divisions and departments. He was able to facilitate the interdivisional work. The transfer plan provided that he would move on to other divisions for further training, but he has become so valuable that the

chances are he will remain where he is as assistant division head, at least for a while.

Transfer can also be used to give a new chance to a person who is not making the progress he should.

"I have a hard blow for you, Jack," said a junior administrator. "You know the high respect I have for your mind, and the appreciation I have often expressed for your originality in dealing with the work. You just don't seem to handle the human element. Now, Jack, I think you can learn if you set your mind to it. I am going to give you a chance to start over with a new group. Next week your assistant will take charge of your division. You will be moved over to Jimmie Vaughan and Tom Spear to learn the work. You can, of course, learn that fast enough. As soon as you can take charge, Jimmie gets his promotion as officer in another department. I have had a lot of trouble making this switch, and you will have some trouble too, for Tom is not going to like your coming over there. He hoped for the promotion himself. I have talked with him, and told him I did not think he was ready yet, but that when the time comes I shall take care of him. When he learns you are getting the job instead, he will be sour. So he will be your first problem. Now Jack, you must recognize that he cannot work with you effectively in that mood. You must treat him with the greatest consideration, and show him that you are going to rely on him to help you run the division. The others will accept you all right, but Tom is going to be just as upset as you are now. Buckle down, Jack; if you learn to handle people half as well as you do problems, there is plenty ahead for you. I want no sarcastic remarks to anybody. If you must kick, do it to me; come to me as often as you like about the personnel. I want you to prove you can succeed."

PROMOTION

Some promotions are so well deserved that there is little if any doubt whether the persons will make good. In other cases, it is hard to tell how satisfactory a person will be in a job requiring a higher order of talent than he has had opportunity to demonstrate. If possible, he should be tried out informally before a definite appointment is made.

The easiest mode of trying a person out is to develop him as an understudy to the person holding the position. This works well when the latter himself is to be promoted, since he naturally takes an interest in breaking in the man who will free him to step higher. Men will be keener to

develop understudies, even without a definite promotion ahead, if they realize they will receive credit from the management for each good man trained. A person who has served as understudy may be tried out in actual authority during the vacation or illness of his chief.

When a promotion is made from outside a division, a way should be found to try out the candidate. If the post is vacant he can be transferred temporarily, with the express announcement that he is merely being loaned by his old division. He may thus be spared the pain of a demotion in case he does not make good. To give him incentive he may, however, be told that if he does make good he can keep the new position on a permanent basis.

A promotion should be made from within the division or department if, and only if, the person is qualified. The department should not be saddled with an inefficient supervisor merely because the man in line wants the job and it is the path of least resistance to give it to him. The junior administrator will save himself awkward situations by looking ahead. If he knows that the man in line as understudy is unlikely to succeed, he should train another understudy. The one formerly in line will gradually adjust to the situation, and when the senior post falls vacant he will no longer expect the promotion. Naturally, if the senior post does not become vacant a really promising understudy may need to be rewarded by being given an opportunity elsewhere. In this case a further understudy must be trained.

Unfortunately it has not been the practice in some companies to look ahead at possible vacancies and promotions. Therefore the supervisory positions are frequently filled with unsatisfactory men. This is a false economy. One of the most expensive and wasteful mistakes of management is to staff a department with persons who are not up to the job, particularly when these people are supposed to supervise. A somewhat larger training cost in providing good understudies for key positions would often be only a fraction of what is now lost through inefficient supervision.

A junior administrator is wise to accept a man who has brains and personality from another department, even if he must be trained in the technique of the work. This is especially true of the higher positions where the handling of men and of methods is an art, and the technical side can frequently be handled by others who are good technicians but not leaders. Technique, however, is almost if not entirely an essential for the head of a department where technical judgment is highly important. Even here, a good administrator without technical knowledge may be better than a good technician who lacks the art of getting results from people.

Men who have made good in some of the advisory or permeating functions are often good material for supervisory positions. The planning and personnel divisions give opportunity for breadth of view and of understanding, both of persons and of work. "Staff assistants" described in Chapter XII also should be considered for line positions. The system of classification, rating, and transfer of clerks mentioned in the next chapter goes far toward indicating who the promising men are, both in the department and in the company.

Promotion from within has become common policy in many companies. It is wise in that it encourages people to prepare themselves for advancement. It is unwise if they become so complacent that they do not exert themselves, or if truly better people are available elsewhere. Except for new undertakings demanding special experience or training, bringing in an outsider should lead those in charge to examine what lay behind the failure of the company to develop within its own ranks a person at least as well suited for the job. Too frequently the fact is that top and middle management have not done their part in cultivating people who had adequate potential ability. Appointment of outsiders to good jobs is harmful to morale and initiative if insiders are qualified or think themselves qualified.

On the other hand, occasional appointment of outsiders is likely to encourage competition and avoid dry rot. The goal should be to have a large proportion of the better jobs filled from within. When an outsider is brought in because he is better qualified, those within who might reasonably have expected the promotion should have the situation explained to them.

DELEGATION TO SUBORDINATE SUPERVISORS

The training of new men into supervisory positions brings up the subject of delegation, touched on in Chapter III, where it was stated that delegation carries with it the responsibility and authority for doing the job, although the person delegating retains the responsibility for seeing that the job is done. The junior administrator should see that his subordinate supervisors have sufficient authority to carry out their duties, but he himself should follow through to see that they give adequate performance.

Delegation is necessary since the junior administrator cannot personally do all the work. Sometimes he continues to do things just because he doubts that others would do them as well as he does himself. (If he has been a good messenger it might according to that concept have been better if he had remained at the junior task.) It is to be expected that a subordinate, especially a green one, will not do as well. The point often is, what is the administrator leaving undone which would be more valuable to the company than the performance of some of the detail he now handles?

Delegation relieves the superior if the subordinate is able to handle his duties properly. Pressure of duties and of time on the superior is reduced. Moreover, the particular work has a prior claim on the time of the person to whom it is delegated, therefore speed of handling should be increased. There is a reduction in the time elapsing between the determination of a need, the making of a decision, and the result-

ant action. Moreover, the junior's judgment, initiative, and sense of responsibility are put to the test and his capacities for further growth can be estimated by his superior.

Many of the problems of creating a smoothly running organization arise from the fact that an assistant, whether vice president or office boy, is a whole person and not merely an automaton which will perform certain desired functions for which it is hired. An assistant can help his superior if he knows what is to be done; knows how to do it; is capable of doing it; and if he wants to do it (either to retain his job or for better reasons). Even if the assistant were as capable and as experienced as the superior, he probably would not double the superior's possible output because of various factors. First, the superior must spend time in making sure that the assistant knows what is to be done in at least the most probable situations which come up. Second, the superior must spend time seeing that the assistant is doing what is desired of him. Third, conference must take place for mutual information and common activity. Fourth, when the assistant should not act entirely on his own judgment, time is lost because certain facts must be considered by each and certain preparations for decisions must be made. Fifth, the assistant may be expected to spend some time trying to secure a good reputation for himself, based on actual good work or upon a show of good work. Sixth, when there are several assistants, time will be needed to coordinate their activities and for them to exchange information and to work with (or sometimes against) each other.

These difficulties occur when the assistant is equal in ability to the superior. When he is less than equal, there are other obvious reasons why the power of the two men is not double that of the superior. The assistant, if more capable than his chief, may be met with differences of opinion backed by the rank of the superior and often by at least a subconscious jealousy. Occasionally, however, the

assistant may actually double the superior's output when the assistant has qualities the chief lacks and when the two make an excellent team.

Other complicating factors enter into relationships and introduce varying degrees of inefficiency. Understanding may be lacking or may take considerable time and patience to achieve. Different persons see things differently and to each his own view is likely to have an exaggerated importance. Personal incompatibilities create difficulties when based on either business matters, unreasoned likes or dislikes, or on personal habits and beliefs. Distrust may be present, either justified or on account of knowledge of the other person's lack of capacity or of character; or unjustified but due to lack of knowledge of the other person or to misinterpretation of words or actions.

In delegating work the officer should give weight to two temperamental factors: (1) the superior and his assistant should be sufficiently compatible in temperament and mind so that their views would not frequently come into conflict; but (2) the assistant should complement the superior by having characteristics and ways of thought which will make their combined judgment of more value than that of the chief alone. Often an individual will choose an assistant who sees eye to eye with him and who attaches the same importance to things that he does. The junior administrator should watch the temperamental combinations in the divisions under him. Supervisors should be chosen with special emphasis on capacity for leading people and handling personnel matters. A man who has these qualities may need to be assisted by another who is especially strong on handling work, or vice versa. Moreover, in selecting any persons to assist himself directly he should not only weigh these factors for himself but also consult his own chief about them.

Congeniality and cooperation are based upon mutual understanding, but it is hard to predict what will be the result of trying to get various individuals to cooperate. Two hydrogen atoms plus one oxygen atom combined give a new substance, water, which has

qualities quite different from either of the two gasses which form it. Mr. Jones and Mr. Smith put to work together produce—who knows? Fireworks or a steam engine?

Henry E. Niles, "Formal and Informal Organization in the Office," *NOMA Forum*, Vol. 15, No. 2, December, 1939, page 31.

For delegation to work out smoothly, the subordinate must know what is to be done and how to do it and must have the capacity and desire to do it. Duties should be outlined clearly, especially if they seem to overlap those of others. To avoid costly mistakes in judgment, the junior administrator should delegate at one time only as much as he thinks the subordinate can take care of and should guide him in assuming his new duties. Particular care should be taken to designate what type of decisions, exceptions, and problems should be referred upward. Many supervisors feel that they are "damned if they do and damned if they don't"—if they go ahead and make a decision which proves to be wrong, they are naturally to blame; but if they refer too many things requiring action to a busy superior they are not relieving him enough and are causing delay. The patient cooperation of the superior can set the proper limits for the supervisor's responsibility to handle the work himself and to refer it upward. Within the limits of delegation, the subordinate should have authority commensurate with his responsibility and his initiative should not be dampened by interference from above.

The superior should keep track of the performance of his subordinate supervisors. For routine work this is best done through periodic performance reports, devised to show whether things are running smoothly or giving signs of trouble. For work requiring a high degree of judgment, frequent conference is the best method of oversight. Where correspondence is an important part of the work, the superior can make a good check by going over the completed correspondence from time to time, making comments on the handling.

THE PROBLEM OF SUPERVISION

The problem of supervision is to draw from each person according to his capacity. The talented should be encouraged to rise. Also, the junior administrator should have respect for the man who, though giving satisfaction in his place, can rise no higher. Those who are adequately using their capacities should be happy in their accomplishment. The administrator himself should show appreciation of those who have reached their maximum and help them to remain satisfied even if abler people rise over their heads.

If he wants loyalty from his men he must be loyal to them. He must defend them to his colleagues and even at times to his superiors.

"I don't see why you think so much of Johnnie," commented a colleague to a junior administrator. "He has some brains, but I think he is overrated."

"Sorry if you don't appreciate him. He may have some faults, like the rest of us. But he is the only person I know who uses 100 per cent of his brains 100 per cent of the time. Do you know anybody else that can beat that record?"

The junior administrator's task as a leader of men is to develop their constructive capacities and to help them to curb their destructive ones. He should strengthen the able, encourage the weak, and cement all into a cooperative working team.

CHAPTER VIII

DEALING WITH THE RANK AND FILE

THE junior administrator deals with the rank and file directly through informal contacts and indirectly through his supervisors and by means of personnel procedures. In any organization of more than two or three hundred workers, explicit personnel policies and methods are needed. These are generally arrived at by top management with the help of the personnel division.

A personnel policy gains in effectiveness in the degree to which it permeates all the ranks of the organization. Many corporations have a printed policy which is circulated to employees. Where an explicit statement has been announced, the responsibility of the junior administrator is to cooperate with it and to advance it to the best of his ability. On the other hand, where the conscious attention of the top management has not been directed to it, he can make a contribution to the company by making experiments leading to a recognition of constructive methods of dealing with the human material. This chapter, therefore, summarizes for the junior administrator some of the best personnel theory and practice so that he can both cooperate better with existing policies and himself initiate more effective ones.

The objective of personnel policy is to use the human material in business in such a way as to produce the maximum in values, from the point of view of the corporation, of the individual, and of society. Management has in the main made splendid use of its technical resources. The same scientific and practical spirit can be applied to the use of human resources. The corporation wants the maximum efficiency from its workers so as to make a profit and produce

services. The individual wants recognition of his present effort and value. He requires not only security but a feeling he has something to look forward to. He wishes a happy working environment of a type which releases his social as well as his acquisitive impulses. Thus he has a sense of belonging and of participation. And of course he desires stable employment at congenial work with reasonable hours and working conditions at high annual pay.

The needs of society include the interests of both the corporation and the employee, and in addition, of the consumer and citizen. Social income consists of goods and services of desired quality and at reasonable prices; it also consists of life values in the satisfaction of workers and consumers. The problems of what and how to produce and to market come in the sphere of merchandising, production, and sales. The problems of using human energies in the production of social income fall in the field of personnel. It is because of the growing recognition of this responsibility that the director of personnel is shown in Figures 1 and 2 as Vice President.

Management has the responsibility of working out a personnel policy which integrates the needs of the corporation and of the individual in such a way as to advance the consumer and community interests as well. In some lines in some periods both corporation and worker have benefited from high profits and wages at the expense of the consumer, but the forces of competition, of public opinion, and of government tend to break down such arrangements. Public and private interests blend in the search for proper personnel relations, provided the corporation itself is making a serviceable product in a way not socially injurious.

The ideal of personnel policy is to develop a group of individuals efficiently carrying on and improving its work, with as full an opportunity as possible for the individual to use a maximum of his capacities. The organization requires an adequate supply of capable people for important positions, executive, supervisory, and technical; and an efficient

and happy working force composed of well-adapted persons.

The organization and the community alike benefit from a situation where the minimum pay provides a decent and comfortable standard of living with stable employment, with those above the minimum earning a salary in proportion to their contribution, in an atmosphere of high morale.

This policy is practicable in most clerical organizations, since the vast majority of clerks are moderately capable people who within the early years of employment can satisfactorily handle moderately skilled work. Further, the largest proportion of jobs are of intermediate difficulty. Therefore, average clerks with normal capacities for clerical work can rise from the bottom to the middle within a relatively short time, if the work is properly arranged and if advancement is planned. A person remaining more than a certain period, say ten years, should be provided with a job requiring at least moderate skill at a reasonable standard of living. The dropping out of many females due to marriage creates mobility in the ladder of advancement. The number of clerks remaining more than a decade does not seem ordinarily to exceed the number of skilled jobs. With equitable opportunities for advancement during the early years, the outstanding persons will usually rise to responsible positions.

To effectuate these ends, suitable persons must be selected for employment and unsuitable persons rejected. Advancement must be planned both in work content and in opportunity and salary. Helpful procedures are evaluation of jobs, rating of individuals on the job, planned transfer and promotion, and careful salary administration.

The working out of these techniques is enormously aided by a strong personnel division. The larger the corporation the more important is the personnel function. In a small company face-to-face contacts lead to mutual understanding and harmony of purpose and less technique is needed to insure justice. As a corporation grows in size it is no longer possible for one man to know the whole staff intimately or to deal with each according to his special aptitudes and tem-

perament. Inequalities of judgment and treatment tend toward inequities of pay, of opportunity, and of privileges. Conscious attention to personnel relationships becomes important to build morale and also to maintain efficiency.

A strong central personnel division is a great aid to administrators in developing company-wide methods of dealing with personnel. Members of the personnel division can maintain intensive knowledge of the best current methods and build up valuable relationships with the entire staff. The personnel function, however, is inseparable from management itself. The responsibility of the administrative men is not decreased although it may be eased by the knowledge, contact, and wisdom of the personnel specialists. Only by the cooperation of the administrators, senior and junior, can a thoroughgoing and effective policy be framed, carried out, and improved.

In companies of moderate and large size, the personnel function is headed by a special officer. In many leading corporations, the director of personnel is one of the major vice presidents. His high position is warranted by the heightened recognition that the human resources of the organization are probably its most significant asset. He properly occupies a staff role equivalent in rank to the senior administrators heading up operations, and works with them in planning fruitful human adjustments to changing conditions. Sometimes the actual policies are worked out by a group of officers or by a personnel committee.

The junior administrator should give serious attention to personnel policies and methods. He should avail himself of the knowledge and competence of personnel specialists; he should seek to improve on present practice both in his own department and in influencing the whole company.

SELECTION AND RETENTION OF PERSONNEL

To secure the right personnel to fill the immediate job available and to provide for future requirements, the cooperation of the supervisors, of the personnel division, and

of the junior administrator is required. The qualifications for the job should be clearly set forth to the personnel division. New employees should be good enough not merely for the immediate position but also for the future. A sufficient number of persons of exceptional ability and personality should be secured to maintain an adequate supply of human material for the higher posts. On the other hand, the majority of entrants should have only such abilities as can be reasonably used. Too high an intelligence quotient or too dynamic a personality for the job leads to restlessness and dissatisfaction. A routine department, in particular, should not take in many persons of exceptional capacity.

"I am wondering if we have the right grade of girls in our filing section," remarked a junior administrator. "As I visit other companies, I notice rather tough-fibered, husky girls doing similar work. They need physical energy to be on their feet and to stoop so much; but if they have too much mental ability, they will get bored and perhaps do less well than their duller sisters. We have been taking fine-grained 'young ladies.' Can we expect them to remain satisfied, or even to do as well as less able girls would?"

"The trouble with our department now is that we have not taken in a high enough type in the past," a senior supervisor commented. "You cannot get a piece of solid-gold jewelry at the Five and Ten. I think we have been buying too cheap, and that we shall have to take on and train a group of exceptional people to raise the intellectual level of our department."

The duty of the personnel division is to pick out applicants of the caliber required to meet qualifications set forth by the operating departments. More broadly, however, it must also bear in mind the requirements of the company as a whole so as to build up a stable and satisfactory working force. The particular applicant selected for a job should therefore not only be satisfactory to the person in whose section he will work but should fit into the company staff. The morale and esprit de corps of the employees as a group can be undermined if they feel that a new employee does not "belong." The new entrant brings not only a brain and a pair of hands but a personality which shows in his looks,

mode of dress, voice, language, behavior, and attitude. Further, with modern emphasis on continuity of employment, the personnel division should watch the openings of different kinds in all parts of the company. If more typists are going to be needed, for instance, the good of the company may demand that a new entrant have or acquire typing ability even though it is not needed in the particular section where she will start.

The personnel division has special facilities for selection. The members can make contacts in the community to attract persons of desired qualifications, and can utilize interviewing and testing techniques. Any particular request for an entrant may be filled from applications or by special search. For higher positions in particular, those in other departments of the company should be scrutinized ahead of outsiders.

The supervisor has an important role in selection, first, by seeing that the needed qualifications have been outlined, and second, in using diligence to see that the applicant appears to meet them. He should always have a say as to whom he employs, and should be satisfied with the candidate sent him by the personnel division. If for any reason he is dissatisfied or doubtful he should ask for another applicant. The fitting in of an employee will rest in large degree upon the immediate supervisor, on whom falls the main responsibility for training and supervising.

The junior officer ordinarily maintains only a general vigilance over selection. He should see that wise procedure is applied by his supervisors regarding selection, introduction, training, and follow-up. He is seldom concerned in the hiring of new personnel of lower grades, although for higher posts he should check on the choice, perhaps by himself interviewing likely candidates.

He should find out from time to time whether additions to the staff are really needed. Usually he is called on to approve or disapprove a request for increase of staff, and also receives reports on the replacement of anyone leaving.

He can take the opportunity to make sure that reasonable efficiency obtains. He may suggest a special study to simplify the work and improve its handling.

The officer should satisfy himself that the new entrants are of proper caliber by inquiry from time to time and by requiring a report on new employees. There should be a probation period of six months or a year before employees are put on the permanent payroll. The officer should require a report a few months after temporary employment begins and another before the probation period is over. The discharge of unsatisfactory people is described later. Some of his supervisors may require guidance from him regarding the type of person who will prove satisfactory, and also in the actual ways of breaking in the entrant on the work.

STARTING THE NEW EMPLOYEE

There should be a regular company-wide or department-wide procedure for the starting of a new employee. A representative of the personnel division should escort him to the division and see that the supervisor under whom he is to work is present and ready to introduce him to his associates and to his work. The supervisor may appropriately turn him over to a seasoned employee who will be responsible for explaining little points about the office: where to hang his coat, where to wash, how to punch the time clock, at what time and where to eat. Such information and other data about the company are often printed in a small office manual as a convenience to new employees. The senior clerk can answer questions and introduce him little by little to his co-workers.

The immediate supervisor should take the new clerk in to see the person of highest rank in the department who is willing to take time to meet entrants. Just who should do the welcoming depends upon the number of new employees per year and the size and the character of the department.

In some organizations the chief executive sets aside time for a group of employees to be presented. Such a practice does much to heighten morale. Where this is not practical, the senior administrator or at least the junior administrator should personally receive the new employee for a few minutes. The employee appreciates the courtesy and feels he is welcomed. Ways of making him feel immediately at ease arouse pleasant emotions which will help him to fit in and to take up his work with enthusiastic interest.

TRAINING

There may be a company-wide system of training new employees. In any case, the junior officer should lay down procedures for effectively starting entrants on their jobs and providing them with enough knowledge to understand what they are doing. Where training is regarded as a matter within the department, there are ordinarily two general views regarding training, first, that a supervisor should oversee the training, and second, that a clerk should break in the new person. The junior officer may leave to his supervisors the decision as to which method is used (or a combination of the two); or he may set up a definite procedure. In any case, training should be given by a person who has teaching capacity, whether by a senior clerk, a supervisor, an assistant or a training officer, but a senior supervisor should make sure that the training is proceeding well.

JOB CLASSIFICATION

An important technique for the setting of fair opportunities and of corresponding pay is job classification, "a system to relate different jobs to each other by grouping them in accordance with certain broad general principles of relationship." This is the definition used by the Life Office Management Association which has done excellent work on job evaluation and the establishment of salary standards.

A job classification arranges all the jobs in a department or a company in groups of approximately equal difficulty or value on the basis of factors such as the mental qualities

demand, what type of decisions need to be made and how often, what contact is necessary with other employees and with the public, what financial responsibility is directly or indirectly involved, and to what extent supervisory ability is required. The job, not the person, is classified. A classification useful in many clerical organizations is given in the appendix.

A person should rise from one class to another, depending on his own abilities, with increases of salary as he takes on more important work. If the lowest type of job is classed A, the job holder should not be jumped to C when there is B work (except under unusual circumstances). Instead, as vacancies occur in the C rank, B's should be given an opportunity to qualify for these and should be replaced by A's. Occasionally an outstanding person may skip steps in the ladder; ordinarily, however, he should climb each rung but more quickly than the average individual.

Classification is most satisfactory when it is applied by experts, but approximate results have been obtained by those without great experience.

In one instance, consultants made a rough and tentative preliminary classification to establish whether there was need for an exact classification. Insiders then conducted a thorough revision. Each clerk made out a job description which was checked by the supervisor. Any changes were initialled by the clerk. The personnel representatives (one of whom had had extensive prior experience) explained the classification to the supervisors, who classified their employees in the division and department. The personnel representatives classified the job descriptions independently. Where they differed from the supervisors, conferences were held to reach agreement. A classification committee was the final arbiter. The classification scheme was circulated among the employees. Each was then informed of his own classification. Due to the thoroughness in applying the technique, only a few cases were disputed.

Best results are obtained when a uniform job classification is applied throughout a company. Where one has not been installed, the junior administrator can have one applied for his own guidance.

A newly appointed senior administrator knew that there were considerable discrepancies in salary and opportunity in his department. He decided to put in a well-trying classification, which junior officers and senior supervisors applied in their various jurisdictions. He found the picture helped him to assign the sum allotted to him for salary increases in a much fairer manner than he otherwise could have done. One or two colleagues became interested. Within a year or so, the whole company adopted a comprehensive scheme.

RATING

A *job* is classified regardless of the capacity of the person holding it; the *individual on the job* is rated according to his performance on the particular job he has to do. A systematic scheme for rating all employees directs attention in an analytical and comparative manner to the qualities and attainments of individuals. Many different rating scales are in use. It is good practice to rate on a few items chosen according to the requirements of the particular company, such as accuracy, volume of work, quickness, initiative, self-control, and leadership. The employee is marked on each item separately and on all together on the basis of standard performance. It is assumed in this discussion that he is scored: outstanding or exceptional (4); very good or above average (3); satisfactory or good and average (2); merely qualifying or below average (1); and unsatisfactory (0). The uniform scale may be supplemented by a list of essential qualities, such as neatness in appearance and in work, punctuality, and honesty, on which the rater checks any deficiency; and another list of desirable qualities on which the rater marks any unusual degree of the trait.

The large majority of individuals should be rated satisfactory (good or average) for their job and class. About 5 per cent of the staff would probably under normal circumstances of good selection be definitely unsatisfactory and about 10 per cent merely qualifying; these employees, if they have less than ten years' service, should be aided to find other employment inside or outside the company. About 5 per cent would probably be outstanding or exceptional (on the particular job) and about 10 per cent to 15 per cent very good or above average.

Since the rating should be an important factor in promotion and salary advancement, independent ratings should be made of each individual by three different superiors. Normally the raters are the section head, assistant division head, and division head. In small divisions, the assistant division head, the division head, and the latter's superior might be the raters. The assistant section head who might be merely a senior clerk may be a rater, especially when the section head's superior is not in close contact with the work. Ratings can be made fairly and intelligently only by those who know the worker in his daily performance. Classification of jobs can be made by experts outside of the division; ratings cannot. The three independent ratings can be compared in the personnel division. Where raters agree, the case is automatically approved. Where they differ, the raters may be called in to discuss their ratings; if agreement is not reached, a personnel committee may have the power to decide the case.

When all ratings for a division are made at the same time, the individuals can then be ranked in the order of ratings. This comparative step is important and is usually omitted where a person is rated, say, on the anniversary of employment. Anniversary ratings, however, spread the work load and may receive more individual attention. When a whole division has been rated, the personnel representative can scrutinize the ratings to see if any bias is evident. Usually some raters are lenient, others severe; therefore comparison between divisions and departments is important for company-wide fairness. If a bias appears, the group of ratings should be reopened.

The junior administrator should see that his supervisors conscientiously comply with the company practice on rating. If there is no company-wide rating he may usefully establish the practice in his department. He himself should rate his own personal assistants and the supervisors who report to him directly and indirectly, and should look over all the ratings from time to time. He should refrain, however, from

himself rating those with whose work he is not personally familiar at the current time. It is good practice to rate all employees at least once a year.

The chief benefit of the rating comes from the use made of it with the employee. The interview in which the supervisor reviews the strong and weak points of the employee may have great incentive value. The need for training and for development to prepare for advancement may be brought out and the employee's progress compared against previous performance.

PROMOTION

As stated at the beginning of the chapter, the most important personnel task is to help all staff members to go as far as they can, for the sake of both the company and the individuals. Also, enough persons must be developed for real leadership at the top. Bright and ambitious people should be given opportunities while they have initiative and before they get discouraged and fall into ruts of thinking.

The brunt of an effective promotion policy falls on the junior administrator and his supervisors. He should himself make sure that they are intelligently cooperating on promotion, including selection for promotion, training, and equitable treatment of all. He should follow the mobility of personnel in the different divisions and sections of his department, and should be informed by report of promotions from one class to another.

Promotion within a division would be the normal occurrence, but he should watch to see that equitable opportunities are given to those of the same job class in another division or in another department when they have the same or better rating and have waited longer for the opportunity than the person under consideration within the division. He should specially watch and guide selections for all high-grade technical and supervisory posts, examining the records and making sure that appointments are carefully made. He should see that justice is done, not only within his own department but in relation to others in the company.

Especially in this last aspect, an effective personnel division aids greatly. Its members also aid through a broad view of opportunities throughout the company, including a comparative knowledge of classified jobs. They can go over records of individual progress as furnished by the supervisors, and can talk with them on different phases of promotion and other related matters.

With a system for classification and for frequent rating on objective standards, the merit of individuals is periodically analyzed and recorded. The candidates for promotion can therefore be readily scanned whenever a vacancy occurs.

On the basis of classification and rating, employees may be advanced equitably from positions near the bottom. Very simple work, such as messenger work and simple filing, can be performed by entrants. The second range of jobs includes simple typing, minor stenographic work, operation of simple machines, maintaining files, and other clerical tasks where knowledge of only a few rules is required. In the intermediate level come regular stenographic work and clerical work involving the application of a considerable number of rules to specific cases—the kind of work usually performed by bookkeepers, checkers, responsible statistical clerks, routine correspondents, and so forth. This intermediate level should be filled from among clerks with reasonable length of service.

Some sections and divisions have a large number of low-grade jobs, others few or none. Divisions with few low-grade posts should, if possible, recruit from those with many. The usual sections doing filing and operating addressing machines and performing other simple clerical work are suitable training grounds for the average clerk to learn the ways of the company. Care should be taken that clerks in these sections have fair opportunities to rise into intermediate work. Otherwise, moderately good people may be stuck in them for years. (The highly superior will usually either secure a transfer or else resign.) Messengers and clerks doing elementary jobs in all sections should be promoted to better jobs according to their promise and length of service, disregarding divisional lines.

Girls with typing and stenographic skills should be advanced according to the skill and knowledge required. Sometimes girls who know stenography are promoted much faster than ordinary clerks. Senior stenographic jobs should be reserved for those who have demonstrated their ability in lower positions. Particular care should be taken in the filling of secretarial posts, both major and minor, especially to officers. A secretary often carries important responsibilities. A girl who is merely a good "stenographic machine" cannot well handle the personal contacts, arrangements for interviews with their chiefs, securing of background information, and so forth. Moreover, the appointment of a girl to be an officer's secretary is viewed as an honor. Hard feeling is created among the women on the staff unless it is known that fair opportunities for selection are used.

Senior checking posts demand a certain degree of judgment as well as accuracy. They should be considered rewards for good clerical work lower down.

Routine correspondents usually apply definite rules but exercise tact and latitude in wording. Their positions are generally recognized as important. They should be senior clerks who probably are near the top of their progress or else selected from a special group of bright people in training for better positions.

All positions involving judgment in applying technical knowledge should be filled from a picked group. Such jobs include those not covered by rules but demanding a current use of judgment based on past special training or on experience. People of requisite caliber should be considered from other divisions, even if they have to get experience first in a trainee position leading to the specialized job.

Supervisory jobs of all grades should be regarded with special care and should be filled from two groups: those of caliber for future leadership; and from older men and women who will probably not rise higher but who are suited to take charge of a unit of work.

For planned advancement it is essential that the main

lines of promotion be kept sufficiently mobile. Ideally, people should remain in one stage for a year or so and then move up. One satisfactory but stationary individual halfway up the ladder may sometimes block constructive promotion and training for many others. Such an individual may have to be moved to a side line so as not to stand in the way of others.

Contrariwise, persons capable of further development should not remain stuck because there is no position immediately available in that line of activity. The capable individual may need to be moved from a closed avenue and put into another line, even in a humbler position.

An excellent way to visualize the job picture as a whole is by a promotion chart. A slip is made up for each type of job (not individual) in the department, showing the class letter and a brief job description. The slips are then arranged according to class and division. The job titles are entered on a large sheet, starting with the lowest classification and working up. Heavy lines are drawn between job classes. Several divisions may be plotted on one sheet. Lines representing logical avenues of advancement are then drawn from one job to others. In this way "blind-alley" jobs also show up clearly. Some of these may be low in the scale, others part way up, and others near the top.

All blind-alley jobs should be watched. Individuals in them should be studied to see whether they should be transferred to other lines. Some of these positions are satisfactory to the worker. The staff nurse, for instance, has no logical promotion ahead of her but ordinarily is fitted and content to remain where she is. In another section we shall deal with the difficulties arising from keeping people on jobs which do not use their capacities.

The advancement of women calls for special consideration because of the fact that the majority of most clerical organizations is female. Many girls work only a few years before marriage; but in the last few years many married

women have continued to hold jobs. Women remaining after ten years or so are almost if not quite as permanent as men. In most organizations few women are encouraged to rise to higher positions, partly because it is feared they will marry and leave, partly because there is prejudice against them, and partly because it is felt that the higher salaries and opportunities are needed by males with more dependents. Women in most companies feel a serious handicap which is destructive to their morale and still more to their determination to give their best in production, service, and initiative. Women in their late thirties often begin to "slip" and to become problems in their departments. Some of this deterioration is attributed to their natural disappointment at not having fulfilled themselves in love, marriage, and children; much may be laid to their dissatisfaction because the way to more interesting and remunerative work is blocked. Physical factors, in the opinion of doctors, are not important since most well-adjusted women do not show deterioration in health in their thirties.

The problem of adjusting women with more than ten years of service is a challenge to personnel management. A definite policy of allowing women to compete on merit for better jobs seems wise. In the early years of employment a woman should probably have to show considerably more capacity than a man to justify the same promotion; but as the years pass, discrimination on the grounds of sex should not exist. Mature women should be encouraged to do their best, and those qualifying should be advanced to the better posts. Rewarding senior women by interesting positions and good pay will increase the interest and heighten the morale of the entire female staff. When they have the qualifications they should receive high-level technical, supervisory, and administrative posts. Not recognizing them spreads the feeling characterized by the often-repeated comment, "What's the use of trying? Women are never given a chance!"

In an important division, an assistant division head was promoted to take charge. His understudy was a woman who had an excellent

grasp of all phases of the work and a good personality. Nevertheless he turned her down for the position of assistant head, on the ground that no other woman in the company had so good a job, and he took a man of far inferior caliber. A number of supervisors and officers agreed that she was the ablest person, but they seemed to take the attitude that nothing could be done about her. Not only was her morale severely damaged, but all the senior women in the company were discouraged.

The younger girls too need encouragement to put forth real effort. When recognition is made according to results, girls may rise to responsible intermediate positions within a few years. Some girls in the past have been inconsiderate in leaving without due notice and without training understudies. Where there is an understudy system and where morale is high so that girls feel a sense of responsibility, little damage is done by some turnover. The resignation of a considerable number of girls creates a rather desirable mobility in the intermediate group since vacancies may be filled by those below who deserve promotion, including promising young males.

The role of women during World War II accents the importance of recognizing them. During that period with a large number of men under arms, women advanced to fill many intermediate and high positions. Transition to a war system would have been far easier if each organization had had a nucleus of well-trained, capable women over thirty years of age who had already engaged in supervisory and specialist work. While many appointments of women as substitutes for men were and should have been temporary, the recognition given to women's ability should be a permanent part of a wise personnel policy. With the current defense expansion, it is highly likely that women will recoup the advancement they lost in the demobilization period.

TRANSFER

Transfer from one avenue of work to another is closely tied in with planned promotion. Interdivisional and inter-

departmental shifts are valuable in building up a staff of competent persons with a wider view of the company. This is especially important for individuals who are in training for executive posts. The organization is benefited also by a more versatile clerical force to provide for peak loads and for expansion and contraction of different parts of the work. The difficulties due to aging are minimized since enough variety may be furnished to prevent monotony and to create a healthy attitude toward new experience. A company where transfer is viewed as natural finds less difficulty in modernizing its systems since the displacement of workers from one kind of job to another causes less strain, worry, inefficiency, and disruption. The ability to meet emergency in an orderly fashion is thus greatly increased.

The employee also gains from a policy of transfer. He has more opportunity to acquire a broader and more intelligent grasp of the company's business and becomes more adaptable and more interested in the work and in the company. Individuals can perhaps be put on work which is particularly congenial. Unharmonious and incompatible personal relationships can be changed.

Though the common run of clerks receive advantages from transfer, those above average are even better provided for. The more capable constitute a special responsibility of the management, not only because from them will be drawn the leaders of the future but also because if they do not advance toward a reasonable exercise of their capabilities they become centers of discontent and undermine morale. Or else they seek other employment.

Outright promotion above routine clerical work is sometimes impossible under conditions when business is expanding slowly if at all. Satisfying able people calls for using as much of their capacities as possible, and for helping them to feel that there will be future opportunity. Even if they cannot receive an increase of pay they feel they are making progress if they are gaining new knowledge and experience.

There are difficulties in transfer. Not only are supervisors

glad to give up misfits but they are loath to give up promising or valuable clerks. Some people do not like to change their work or to leave their division and their friends. Transfer means more training, slowing up the work, and starting people over, perhaps at a job requiring less skill or knowledge than the previous one. It interferes with production at rush seasons and during expansion. Nevertheless, the advantages far outweigh the disadvantages in the eyes of those who have worked out a transfer policy.

Supervisory cooperation is essential to the success of a transfer policy. At first supervisors may not like the idea. Further, an unsuccessful experience lingers in the memory.

"We tried to transfer some people years ago. We started it when we were not so busy. If you lend a good clerk, you cannot get him back; if a bad one, you never hear the end of it. If you exchange, and send a good person, you may get an office boy, or a 'lemon.'"

Clerks as well as supervisors should understand the policy underlying transfer so that being transferred is considered an opportunity.

"Yes, I have been moved all around the company now," said a stenographer. "At first I was 'lent' to another department for several months, since my own work was slack. Then I was told to report to the head of a certain department, and I found I was to be a stenographer there. No one told me whether I was making good. I thought perhaps I was a prize dumb-bell because I was changed around so often. That man did not like me, I am sure; but he must have given me a good recommendation, for I was sent to a new officer as his private secretary. He told me I was well recommended, and would try me to see how we got on. That was the first word of encouragement I had had in years. I love my work now, and know that I am making good."

The initiation of a transfer policy is aided when several outstandingly good people are moved, with the explanation that they are to receive broader training and further opportunity. Others of only moderate ability will then not fear transfer. Those who are moved because they are not giving satisfaction should be told frankly what the difficulty is and that they are to have a new opportunity to make good elsewhere.

The junior administrator can encourage the policy of transfer by showing a willingness to release good men and by stimulating the same spirit among his supervisors. His own convenience and the smooth functioning of his department may be temporarily interfered with by releasing people to others, but the reputation of his own department and of his administrative ability in developing good men will be appreciated by his superiors and colleagues and will serve as an incentive to better employee performance.

"My hands have been very full the past year," remarks one junior administrator, "because I have lost several of my best men to other departments. Three competent young men have been promoted to field work. In their places I have two unseasoned but promising men from other departments and a broken-down field man who has been sent in for retraining. I can develop the young men, but the other, with a record of past failure, is overpaid for his present position and is causing resentment among my other promising people. I have to show them that their own chance to make good depends on just such rearrangements as the present one. They are cooperating 100 per cent to help this man learn the present work, so that he can start out again in another field office."

"We have been handicapped in our work recently," says another junior administrator, "but I feel rewarded because we are getting the reputation in the company for training good men. We released one of our best free lances to do a special job with the sales force. Our top assistant has just been made an officer in another department. My second man is trying an experiment in the Accounting Department, and is up to his ears in work. I have just secured permission to take a promising younger man from one of my divisions to help me with special tasks, and have hired a new person with experience in another line of business. Other general assignments have been spread around to several people and I am pleased that two of the people have blossomed out under their new responsibilities. The effect of the promotion has stimulated people to show what they can do."

SALARY ADMINISTRATION

With job classification, rating, and planned promotion and transfer, salary administration is no longer a haphazard affair. Each class of work should have standard salary ranges. To allow for individuals who are exceptionally efficient for the class, somewhat more than the "maximum" may be paid.

In some cases an individual who is worthy of advancement to a higher class but for whom a position is not yet vacant may be paid more than the maximum to retain his services and keep up his morale.

The range from minimum to maximum within a class often amounts to many hundreds of dollars. Care in setting the individual salary within the class is needed. For junior jobs, in particular, a kind of normal rate of increase may be worked out according to rating and length of service. Any system which works fairly automatically should, however, provide a heavy weighting for the individual's rating. The majority of clerks should be satisfactory average people. The very good should at all periods receive more reward than the average; and the exceptional should receive a still more rapid rate of increase, as well as the first chance at promotion opportunities.

For clerical occupations the importance of basing salaries on individual merit in performing a job classified as to the required skill and ability can hardly be exaggerated. Even with increasing mechanization the use that the employee makes of his own brain is the dominant factor in individual accomplishment. Superior performance in clerical work often amounts to double the result of the ordinary (or even more than double). The encouragement of merit is important not only in production but in morale, for the employee who is showing excellence in his work has more interest and pride in it and is an asset to his environment.

Clerks are individualistic in their reactions and also tend to accept the attitude of the businessman that reward should be in proportion to initiative and effort. If the wish for reward according to merit is fostered by the management, the way is open for the organization to pay by results and to reward the ablest. This policy can be carried out with collective bargaining units, granted cooperation between management and union. Where, however, management is not attentive to the psychological conditions in which superior effort will be put forth, the seniority principle will be

sought by the clerks and initiative all through the organization will be deadened. One of the evils of some of the older business institutions is that red tape has grown up; and another that unions tend to protect the worker's rights by seeking a guarantee of seniority in advancement and pay. Enlightened management and unions alike should resist this tendency. By cooperation they should seek for psychological as well as physical methods to increase the production of goods and services on the one hand and to secure the intangibles of interest and enthusiasm and progress on the other.

The actual procedure for passing on salary recommendations may vary. Salaries are scrutinized sometimes for all employees at once; sometimes on the anniversary of employment of the individual. A common custom is for recommendation to be made by the immediate supervisor, agreed to or changed by higher supervisors, approved (or disapproved) by the junior officer, and then passed on by an interdepartmental committee, with the participation of the personnel division. Interdepartmental justice is best secured when an impartial committee and the specialized personnel division work together to see that no one department or division is favored. In this way, also, the total of all increases may be kept within a company budget.

The best results are often obtained when employees are considered for increase on their anniversary of employment. In this way only a part of the staff comes up for consideration each month. The supervisor should go over the cases in his division or section and scrutinize the last ratings, seeing in what respects the employee has improved or slumped. He should have before him the minimum and maximum in salary for the class, the salaries actually received by others on similar work, and such guides for normal progression as may have been worked out. He should make his recommendation on this basis. He should note at this time any special comments he wishes to make or to have others make to the individual. The superior supervisor should then go over the

recommendation. It is advisable also to have the personnel division go over it with a view to interdepartmental comparability.

The junior administrator carries a large responsibility for securing justice for his employees. He should therefore help his supervisors to make salary recommendations justly, and should check their judgment by getting the facts on representative cases. If he himself is close to his staff he will have a fair idea whether the recommendations are sound.

He should not, however, think that he knows the actual work of a large number of individuals. Particularly, he should beware of thinking that certain persons are more deserving than others simply because at one time they worked closely under his supervision. Supervisors find that it is easier to get higher salaries for clerks who have at one time worked with the chief. This is natural but should be offset in two ways: first, the junior administrator should discount the habit of thought which makes people think more (or less) of those with whom they are familiar; second, he should endeavor to know the outstanding persons in each division by having them brought to him in connection with the work from time to time. Salaries of lower grades are often passed on more or less according to rule and custom, but in the higher ranges for each class much discrimination is needed not only to encourage the good but also to avoid rewarding the person who is below par in his work. The junior officer can sift out the real opinions the supervisors have of their clerks by asking for a ranking of all the clerks in a section, ignoring length of service, according to their actual value to the department. He can then make crosswise comparisons.

ANNIVERSARY INTERVIEWS

On or immediately before the anniversary each employee should be interviewed by a superior whether he receives an increase or not. For the interview to be fruitful, careful preparation is needed. Some supervisors are not well fitted

to conduct an interview and need to be coached by their superiors or by the personnel division; or perhaps the interview, particularly with a problem individual, may need to be carried on by some other person than the normal one. The senior and junior administrators should decide who will do the interviewing. Junior clerks may be interviewed by their immediate supervisor, while older clerks are interviewed by a superior next higher than the one to whom they directly report.

The employee should be told whether he receives a raise, what his class and rating are, and any special factors in the rating. His progress should be discussed and opportunities talked over. Promises should seldom, if ever, be made. The interview can be used to hearten the individual and show him in concrete terms what he must do for further promotion and salary increase. If he has almost reached the top for his class, he should be told that he is near the limit unless he is able to qualify for the next higher class. A brief write-up of the interview should be placed in the employee's folder. Mention should be made of any special comments, particularly any encouragement which might be construed as a promise. In case of warning for unsatisfactory work, a copy may wisely be given to the employee.

The importance of an interview is brought out by the following instances:

An officer's secretary received raises each year for a number of years, but the percentage of increase was lowered. When her chief told her of the last one, she burst into tears, regretting that she was not giving satisfaction. She was then told that any increase was a mark of special appreciation, since she was already beyond the range for her class, and she was very happy over the recognition. Unfortunately for several years she had thought her chief did not think well of her, because of the diminishing raise.

A girl commented, "I used to think I did good work, but I have not received one word about myself for years. I guess they don't think much of me any more." On inquiry, it appeared she was much valued. No increases were given during the depression to girls of her length of service. No one thought to tell her that nevertheless

she was giving satisfaction, and would receive further salary recognition at a later time.

The personnel division also may have periodic interviews with staff members. Not only may the progress of the employee be talked over, but also the employee may air his grievances and discouragements.

HANDLING GRIEVANCES

The junior administrator should encourage the personnel division and his own supervisors to bring to him grievances, real or imagined, of which they hear from or about the rank and file. The personnel division can do little but give a polite hearing unless the junior administrator is prepared to cooperate in redressing grievances and improving harassing situations. He must not ask for names or attempt to find out how they got the story, but deal with the situation in an impersonal manner. The officer who "blows up" or lacks tact in handling what he learns will not hear things he should know. If he has understanding and tact he can help the personnel division and the supervisors in building morale. He should never violate a confidence nor seek to get his supervisors to do so. A wise supervisor who wishes to talk over an incident with his superior can usually get permission from individuals to use his judgment in seeking remedies.

Many office grievances are trivial but few are too trivial to merit consideration and attention in clearing them up. Many ranklings are healed as soon as they are expressed; others when properly explained.

Seated in the office of F. W. Ayers, Works Manager of the Auto-car Company, I recently witnessed a masterful exhibition of the art of handling a grouchy subordinate.

A man came into Mr. Ayers' office in a huff. It was evident that the man was naturally grouchy.

"Mr. Ayers," he complained, "everything is wrong. I don't see how I can put up with the situation I'm in any longer. I can't get any cooperation from Fred. He bucks me at every turn."

"Well," Mr. Ayers replied, drawing up his chair to within confidential distance of the man with the grouch, "I'm tremendously interested in your situation. Tell me the whole story."

The man told the whole sad story in all its gruesome details. He was very bitter. When he had finished, Mr. Ayers pulled his chair up still closer and said, "Now, George, I want to get this whole thing absolutely straight. I don't want to slip up on a single detail. Won't you please tell me the situation once more, so that I'll be sure to have the story right?"

The man told his story once more. But in the second telling, practically all the venom which had been so evident in the first telling disappeared. It hardly sounded like the same situation. When he had finished the second time, Mr. Ayers questioned him in such a manner that he drew the story out a third time. In the third telling, the grouchy man's grievances sounded so slim that it was apparent that he was ashamed to be telling it himself. He seized the first opportunity to make his exit. Once he had gotten his grouch out of his system he realized himself that his heat had been almost wholly self-induced.

"That man is a terrible grouch, but a mighty competent worker," Mr. Ayers told me. "About once a month, we go through a performance just like this. I've found that the best way to sweeten up the offish, grouchy individual is to let him tell his grievance and tell it and tell it, until it is completely deflated."

Glenn L. Gardiner, *Practical Office Supervision*, McGraw-Hill Book Company, New York, 1929, pages 165 and 166.

Many grievances originate because the supervisor is lacking in understanding. It is especially important for the junior administrator to have the confidence of his staff to the extent that all feel free to talk over their difficulties and disgruntlements with him personally.

A senior girl held an important job as informal head of a small section which did general bookkeeping. As some young men were brought into the department for training, they were taught her work. By coincidence, her immediate supervisor, knowing she had neuritis, rearranged the tasks so that she no longer worked at the heavy bookkeeping machine. However, he offered no explanation, and put her at simple desk work. She was much crushed.

After an interval, she asked her supervisor if she could not have back her old work, which she loved. He said no, giving her health as a reason. She thought he "had it in for her" and continued disappointed. The other girls were upset also, fearing demotion. Finally she made up her mind to speak to the officer in charge. He immediately saw the difficulty, talked things over with the supervisor, and put her back on her old work.

PERSONNEL PROBLEMS

The application of principles and practices outlined in this chapter will avoid many difficulties. They may also be adapted to some extent to the solution of problems resulting from the past.

When personnel policies have been inadequate or indefinite or not properly applied, many difficult situations may have accrued. Often there is a scarcity of able people for higher positions. There may be talented persons whose capacities have not been used. Some of these will have become restless and will have left. Others remain and foment discontent or gradually sink into a rut, their ambition dimmed and their faculties only partly used. Some who are capable of better jobs may be stuck in blind-alley positions. In all these cases people need to be encouraged and developed. New blood may be needed but the promising young people should be trained in such a way that the least hard feeling is created in older people who may be passed by.

Much trouble is caused when the supervisors are devoid of leadership or human understanding. They can easily spoil the morale of their groups. The problems of developing supervisors were dealt with in the last chapter.

Unequal opportunities for advancement create dissatisfaction.

"Our division has shrunk during the past few years, and there has been little opportunity for advancement. The messenger I have is an able boy, but there has been no vacancy in the junior clerical tasks. He has been with us seven years. All I can do for him is to let him help out on clerical jobs when someone is absent."

In the same company, other departments had expanded greatly during the depression. Able people had risen from the lowest positions into important posts. A school mate of the messenger cited might have had half a dozen promotions, interesting work, and several increases in salary.

Only interdepartmental cooperation can cure some inequities.

"I do not know what to do with our junior clerk," another super-

visor said. "He has been with me for more than five years. He is a fine lad, but my division has not grown, and I have no skilled job where I can use him. Although I have suggested that he be transferred, other departments prefer to take in juniors from the outside."

When superior accomplishment is not rewarded the individual may suffer, but, even worse, an atmosphere is created in which it is easy to feel, "What is the use of trying?"

"My assistant came in as a messenger seven years ago, just before the depression. She developed rapidly, and now acts as assistant head of this division," said a man in charge of twenty-five people. "During all this time, the only raise she has received was when all starting salaries were increased under the N.R.A. You see, there have been no general increases, and I have not been able to get a special one for her. I am sure she would do even better if she were not so worried about finances. She is the only support of her father and mother. Lately she has had difficulty with her eyes, but she tells me she just cannot afford to have medical treatment now."

"I came with the company just after I finished university," said a young woman doing valuable work involving skilled judgment. "I had expected to go into teaching, but the best graduates in my class were interviewed by the employment manager of the company, and I was persuaded to come with the promise that if I gave satisfaction I would be advanced to a salary as good as in teaching, but more quickly. I had to support my father, so I took the job. I have frequently been told that I do the best work in the department, and comparative records show this. Yet I am receiving less salary than several men receive. Meanwhile I don't dare shift to teaching, because of my father. New graduates with more modern courses are getting the starting positions. Yet I am so discouraged here that I can feel myself slipping. If this continues, I won't be able to continue my good work. My health is showing the effects of worry. You see, I have to do all the housework and take care of father, as well as carry on my job. Do you have any advice for me?"

Sometimes the inefficient are better paid than the good.

An excessively high turnover of stenographers in the Central Stenographic Division occasioned an inquiry. The head stenographer was asked to rank her girls in the order of their value, considering speed, accuracy, and other relevant points. The girl who did the best work was the lowest paid; several of the better paid girls turned out less than average. The better girls felt that effort went

unrewarded and left the company as fast as they could secure better jobs elsewhere.

Length of service has often been recognized out of proportion to the merit of the individual and even to the skill required. Many who were carried upward on the escalator of automatic increases in the prosperous 1920's and more recently present problems in pay and in morale.

"I wish I knew what to do with Nestor's division," said a junior administrator. "I want to amalgamate it with the Accounting Department, but the salaries are way out of line. Nestor rose to be division head under the old regime, and has a group of older clerks doing very simple routine work. These old-timers are receiving more than my best younger men, who are carrying on important correspondence."

The junior administrator felt the interest of the department called for amalgamation of the work, and placed these clerks along with others in the accounting sections. He told the supervisors that the older posters were getting too much, but the management felt they should not be made to suffer now because an error had been made in inflating their jobs previously. He hoped that placing the old-timers along with active young junior clerks would have a stimulating effect. The supervisor should try to fit them into more highly skilled work and train them in a greater variety of job. The junior administrator also spoke to the young correspondents, explaining the situation and pointing out that although the older men had received recognition in the past, the chances for the future were bright for the younger men.

Persons who are not suited to the work they are doing create problems for themselves and for others. The maladjusted may seriously damage the morale of the group as well as that of the individual. Finding something they can do acceptably helps all.

Sometimes a person who falls down in one line of work becomes an outstanding success when properly placed. Here is a story of a man who not only succeeded himself but who helped to give others a new start.

Jones, the supervisor of a technical division, was not making good, either in his own handling of cases nor in directing the specialists. He was transferred to another department and made head of an important division of files. He was relieved to be rid of

the technical work for which he had not been fitted, and felt that he had a new chance to make good without any handicap.

Within a year or two, he was an outstanding success. Not content with furnishing quick and accurate service from the current files, he made studies of obsolete and seldom-used material. The amount stored was greatly reduced, with the consent of the interested parties. He exerted mild pressure to see that material coming to file was marked "temporary" and "permanent."

His work was suited to his abilities. He took an interest in it and did it well, and proved he could be of value to the company. Had he not been transferred, he would still have been considered a hopeless failure. His personal experience of having been a misfit was turned to good account, since he had sympathy and understanding of others. The work under him was of the lowest clerical grade, and new employees often started in this division as a training ground to learn the work of the company. His officer got the idea that here was a spot where those who had not made good at better jobs might be placed. Jones took some of these people cheerfully. He told of his experiences to a friend thus:

"I get the 'crocks' and misfits from other departments, people who could not do their jobs previously, and whose morale is damaged. I can't expect as much of them as of the new employees. However, I always take them for the good of the company. I never make inquiries as to why they are sent to me, but I know they are here because they have not made good. First thing when one is told to report to me, I take him or her aside, and say, 'You have been told to report to me this morning. Now I don't know whether your work was good, bad, or indifferent, and I don't care, either. Here you start off new. You have been sent to me because the personnel men think you can do this work. Now it is up to you. We are a happy division, and we are glad to have you. There is room to rise here. We have to have quick and accurate work to serve other departments. Our work is important, too. All the time they are taking the good people away from me to advance into other departments. We have a kind of training ground.'

"The clerks may be a bit glum for a while, but they soon find they can do satisfactory work, perhaps for the first time. Every now and then I get a 'break' through other people's mistakes. Take Miss Elliott. She's fine, and the next good job I have to fill is hers. I can't imagine why they sent her here, but some people just don't know how to supervise. Miss Fisher, too, was considered no good when she came to me, but now she is a very efficient filing clerk. I doubt she has ability to rise, but she and the girl she works with make such an outstanding team that I don't want to move either one of them. Another woman is doing excellent senior work, but I have to look out what I say to her, or she will be depressed for a week."

Those of limited abilities should if possible be put on jobs where they do not compete with more satisfactory people. Young persons are resentful if older and less efficient people are paid more for less work. There are often many useful tasks which those of limited abilities can perform without their losing caste.

A particularly satisfactory job for an older man of probity is the affixing of a signature to a check or document. Signing can carry a title, for instance, "Registrar," "Assistant Registrar," or perhaps "Assistant Cashier," and may be considered an honor. Frequently affixing a signature is done as a matter of form by a busy officer or supervisor who does not check what he signs. In other cases a senior and important man may himself take time to do checking work, for instance, comparing the check to the requisition, because the regulations require that only a man of designated rank may sign for the company. The older problem man may be good at the detailed work of making a reliable checking operation. Check-signing machines in long-established companies are a doubtful good when officers may be relieved by having older men take over work of an honorific aspect. A satisfactory way to handle signing checks is to limit the amount for which those of less than official rank can sign. Cases which go beyond certain customary rules may similarly be referred to higher individuals. In this way the company is safeguarded against possible loss on large or unusual cases, but important men are relieved of one more time-consuming burden.

"You don't mind if I sign these checks while I am talking with you, do you?" remarks a senior officer. "I just sign them mechanically, you know. Still, I like to do it, for it gives me some idea of the amounts going through."

"Have you ever thought of saving your time by having a report made to you of the amounts, and having someone else do it?" answered the listener.

"How much of the time in the afternoon do you spend signing checks?" asked an investigator. The signer was one of the ablest division supervisors in the department.

"Oh, probably three-quarters of an hour," he answered. "It is not the time I begrudge. The trouble is that when I am in conference the work is held up and I create difficulty down the line."

One of the best ways in which an officer can serve the company is to find solutions to distressing personnel problems. The personnel division should have these cases in mind and may even take the initiative. In almost every organization, however, there are one or two junior administrators who have that rare faculty of seeing the possibilities for human adjustment. They can serve not only by finding the right niche for their own unadapted workers but also by helping their colleagues find solutions for problem persons.

The more flexible the organization and the more definite is a general policy of transfer from one department or division to another, the easier is the task of readjusting the misfits.

Some cases of maladjustment or malfeasance are so grave that they demand drastic action. It is kinder to discharge a person than to keep him in an environment where he cannot make good.

A man caught in an act of dishonesty was retained in his position, because he had so many good qualities. His chief felt he would never err again. Nevertheless, so many persons knew of the situation that he was never fully trusted. If his superior had arranged for him to have another chance in a different environment, he might have developed further. As it was, he had an amiable personality, but did not use his powers.

DISCHARGE

In some companies the right to discharge is vested in the personnel division rather than in the various departments. Thus the supervisor has the right to turn an unsatisfactory employee back to the personnel division, which determines whether to use him elsewhere or to discharge him. The right of discharge may be limited by union contract, and usually is limited by company custom to some extent at least. Frequently, however, the junior administrator is the person who

discharges persons in his department or at least authorizes a supervisor to do so.

Relative permanence of employment is a healthy ideal sought after by many companies. In life insurance, for instance, discharge is rare after the early years of employment except for fraud or other flagrant causes. Workers who are secure in their jobs are spared much misery of mind. The ideal of permanency is limited, however, not only by the economic situation of the company but also by the degree to which the individual is actually fitted to the work. The economic factors in stable employment are receiving increased consideration nowadays. The fitting of the individual is also more carefully dealt with. The securing of a well-adapted working force necessitates a certain amount of turnover in the early years of employment. Many people are not suited to office jobs. Their interests may lie elsewhere or they may lack the capacity for attention to detail, the painstaking accuracy, and the particular types of judgment required. The turnover due to compulsory resignations should diminish with the years of employment and as far as possible should approach zero.

The prompt elimination of unsuitable persons is extremely important to a stable, happy, and efficient working force. Many current problems of misfits are due to imperfect selection and to shortsighted kindheartedness in the past. Prompt discharge of those who do not fit in reduces the personnel maladjustments in later years. Losing one's position during the early period need not impair one's self-respect since it may be taken fairly incidentally. A person can quite well go to the next employer with the statement (and the feeling), "I did not seem to fit in there. I did not like them and they did not like me." After a person has occupied a job for some time, dislodging him becomes increasingly difficult; further, he suffers a real psychic hardship by remaining long where he neither gives nor receives satisfaction.

It is surprising how much vigilance is needed to enforce the policy of dismissing unsatisfactory probationers. The obviously bad may be dropped, but those who just don't seem to adjust well may be retained through the inertia of the supervisor. He perhaps puts off the disagreeable task through a mistaken kindheartedness and a feeling that perhaps the employee will do better later. The superior should help his supervisors to think through the problem and to realize the importance to themselves, to the individual, and to the company that each new person shall be an asset and not a liability in the long run.

"How many probationers have been dropped this year?" a chief executive asked of the personnel director.

"We have kept them all, sir."

"I congratulate you. I did not know we had God in our Personnel Department."

"What do you mean?"

"Only God could make all the selections perfectly."

Not all of those who are retained past the probationary period will be found permanently satisfactory. Often a new employee enters on his work with initial enthusiasm and his supervisor thinks highly of him. Further acquaintance allows bad points as well as good to interact. A period of discouragement may follow when the employee feels that he is not making good and the supervisor has doubts of his former high opinion of the entrant. This is a natural phase, not only for a new employee but for anyone on a new job. The supervisor should maintain a due perspective and judge whether this phase will pass off.

Some employees who give satisfaction in low-grade jobs are found unsatisfactory for promotion. In the long run those incapable of holding intermediate jobs of moderate skill are unsuitable for permanent employment. A few who do well at low-grade jobs may be retained, but only if they themselves will not become discontented at lack of promotion and with a low rate of pay. If a mature man with a family continues on a salary which a young female draws,

the individual may feel unjustly treated, his fellows may share his discontent, and his friends and neighbors may create ill will in the community against the company. From the public relations aspect alone it is bad advertising to retain people who are not worth a good salary.

Under a proper advancement policy, progress away from low-grade jobs should be possible for those with requisite ability, while those not capable of advancement to intermediate jobs should usually be dropped in the early years of employment. The social consequences of this policy should, of course, be weighed seriously. The author has found many clerks in a state of arrested development who have been a burden to their departments and to themselves. If they had been forced out at an early stage, many of them could have fitted into another environment.

A conscientious young manager faced the situation of an unsatisfactory messenger. With great reluctance, he told the lad that he should look for another job.

A few months later, the boy came in, dressed in stylish clothes and full of self-confidence. "I just thought you might like to know that I landed a fine job, and that I am ever so much happier than I was with you."

"I used to think it was a kindness to keep on people who were no good in our company," said a senior administrator, "but I learned my lesson when one of my boys became so unsatisfactory I had to dismiss him. I talked with him, and suggested that he might do well in retail trade.

"A few years later I was in a suburb and noticed delivery trucks bearing a familiar name. The employee I had fired had become the leading butcher in the community, and was making a great deal of money. I stopped in to see him, and he thanked me for having forced him to go into something which he could work at with a will.

"Since then, I have frequently turned loose boys who were not making good with us. I have tried to help them find other work. Most of them have done much better than they could have done with us."

Except for probationers all persons discharged should have had prior warning that they were unsatisfactory, with an explanation of what steps they needed to take to make

good. Unfortunately supervisors are often hesitant to make complaints to their clerks so long as there is any reasonable doubt. It is a fairly common occurrence for a clerk to learn after some years that he had not been giving satisfaction. The interview practice outlined in this chapter would prevent such unpleasant surprises, and would give clerks a knowledge of their current standing at least once a year. When a warning is given, a typewritten memo should be delivered to the clerk and a copy retained in his files. The officer should insist that a warning is attached before authorizing the discharge of employees other than probationers, except for fraud or other misconduct. The whole staff then knows that no highhanded methods will be used in eliminating them. Therefore the morale of others is less likely to be harmed by discharge of any particular person.

The discharge interview should be friendly and if possible constructive, for the sake not only of the employee but also of the public relations of the company. If the employee has been with the company several years he may be helped to get employment elsewhere at a job for which he is better adapted.

In some organizations the personnel division conducts an exit interview with every employee leaving, for whatever cause. Good results accrue since the person leaving is apt to be quite free in his comments and may give valuable sidelights on the morale of the staff.

CHAPTER IX

PROBLEMS OF REORGANIZATION

DETERMINING THE NEED FOR IMPROVEMENT

WHEN the junior administrator has become familiar with the problems of his department and has learned to know the people and the work for which he is responsible, he will turn to a closer examination of the work. If the department is already in excellent shape, little revision may be needed. The main aims may be to maintain a smoothly running department and to build constructively for the future.

Even a good department will stand careful scrutiny, however, and will benefit by thought on improvements of methods and of personnel. The challenge of the backward department is of course even greater.

Revisions of method become necessary due to changes in the law or in the practices of the company. They should also be made from time to time to secure improvement and economy in the work. A planning division outside or within the officer's jurisdiction may suggest changes. In addition, one or more of his assistants will have suggestions to make.

The means for making analytic studies of a routine or of a department are set forth in books on office management. Only under unusual circumstances will the officer in charge conduct the investigation personally. Usually he can draw on the help of experienced members of a planning division if there is one; or he has competent persons within the department who are looking constantly for improvements; or outside consultants may be called in. However, he may find that he must himself devote considerable attention to revision of methods and to adaptation of the personnel.

In any case he will do well to familiarize himself with what is actually done. A few hours spent in going from desk to desk, seeing the actual operations on a real case, may teach him more about the work performed than months or years in his own office. Often in following a case he will run into some unexpected complication which will show him much concerning the actual workings of interrelated routines. Further, he has an opportunity to sense the morale of the department in a new way, by firsthand contact with the workers themselves. Even when outside consultants are employed to get the facts and make recommendations it is valuable for insiders to get the firsthand picture. It is the best possible way to look behind the scenes. Routines which cross interdivisional or interdepartmental lines are almost sure to show anomalies, duplication, and interesting sidelights on how things happen. Too often, the adjacent division is unknown territory to those concerned. Lack of understanding breeds extra work.

Another good way to understand the work is to have a step-by-step analysis of the actual flow of work made up in each division. It may be checked with profit by having a competent person from another related division follow through a test case to verify the analysis and at the same time to receive firsthand knowledge of the problems.

An investigator showed up a considerable lack in coordination between different divisions concerned in an interlocking routine. At his suggestion, each of the three division heads affected followed through a case from beginning to end, thus seeing the actual detail in his own and his two colleagues' divisions. Mutual understanding led to cooperation in eliminating duplication and in speeding up the routine.

The officer may also profit by analysis of the job of every individual. Each person may prepare a brief memorandum of his duties, with an estimated percentage of the working time spent on each enumerated task. Each outline should be checked by the supervisor in charge. A more complete analysis may be prepared by a specialist in such work.

A careful study of the records of the speed and accuracy of the work often shows up specific points where improvement is needed. Work may be delayed or of poor quality at a strategic point where the customer, the salesman, or another department is affected. When the officer has quantitative data showing the actual results he can stimulate the department to improve.

In many old departments performance records are not adequate to give a good picture of results. Special studies of the current situation may be needed and can often be obtained by recording a sample group of cases. Sometimes this group can be taken from recent files and analyzed from the date stamps. Sometimes a special route sheet should accompany the cases for analysis made after the routine is finished. Sometimes an extra carbon copy of the actual transactions will give the picture. At first the officer probably needs to set forth what he requires; soon he will receive suggestions from those who work up the information. The momentum of improvement builds up.

WORKING OUT PLANS

In many instances the officer either personally prepares the plans for reorganization or closely directs such work. Actual instances show the problems which arise and the methods applicable.

Richardson was lying in a hospital recovering from an acute illness. His chief visited him, and said, "Bob, your illness shows us that your work is so well organized it will run without you. I should like to have you take charge of Roger Smith's division. It is run down, and he, as you know, is retiring. You would have a chance to reorganize it."

"But I don't know anything about the work!"

"You know a lot about running a division, though. Think it over."

Richardson took the opportunity, and to his surprise got an official title, taking charge as a junior officer instead of merely a division head.

His first task was to learn the work required of him. He spent many hours with Smith, trying to understand, but learning little. The man was not a teacher. Things simply went along in a tradi-

tional manner. There was no understudy for Smith, and but little real talent in sight. The senior clerks were highly paid, but did their work in a routine manner. There was no sense of discipline; they returned from lunch late and smoked and chatted at their desks.

Richardson made no changes for a while. He wanted to understand the interrelationships of the work, and particularly the quality of the people. He found no one of sufficient caliber to be his own understudy, but got one young man started on some minor studies. He selected a second young man of promise from another department as his own assistant, and trained him to make investigations and to master the work. The three men together rebuilt the department. They continued for years, however, to have trouble from the older men, who had a vastly exaggerated idea of their own importance, only gradually dimmed by the sight of younger men advancing around them.

In another instance, the officer of a large and important department and his assistant, the department head, retired within a year of each other. Together they had run the department with an iron hand, with the unconscious motto, "Keep 'em down." A few able individuals had risen to high technical posts, but for the handling of the large body of complex clerical work there were only two rather weak supervisors, with a very shadowy line of demarcation between them. The older man was lacking in leadership. The younger clearly aspired to succeed the retiring department head, but he had so long been kept as a compliant follower of orders that he had developed little or no executive ability and but slight critical capacity. Under these was a woman who satisfactorily handled her small section, and a man with informal authority, pleasant personality, and lack of either education or supervisory experience.

A junior administrator was put in to build up the department. He found the lines of authority mixed, an exaggerated idea of the importance of much of the work, endless details, very backward systems, and an antagonism between the technical men and the clerical body. The records were poor and overlapping, interdepartmental service unsatisfactory, and the speed of handling deplorable. Salaries for the most part were too low to attract the right type of person, and the whole department was confused and inefficient. The situation was realized even by the insiders, who were restless, fearing they might lose their jobs or be moved to positions they would not like.

The officer announced that he would assume as few regular duties as possible, letting those already in charge conduct the work, and devoting himself to study.

He wished especially to try out the capacities of the man next in line, to see how he might be used. Meanwhile he brought in an able

young man who had worked with him on systems in another department, and set him to making a step-by-step analysis of the work. They looked for ability, and found one young man who had shown capacity in staff association activities. They tried him out on investigation work, and found at least one potential leader.

A complete overhauling of the work was needed, but most of all a new spirit which welcomed improvement. The officer wanted them to learn to think and act. Therefore he encouraged them to try out their own ideas, even if crude, and led them gradually to try out his own. He also put through salary raises for the deserving, and hired new clerks of higher caliber to succeed those who left. Little by little the atmosphere changed, the dry-rot stopped, and a better tone was created. Modern systems were installed, and the character of the work improved.

When the junior administrator personally directs the investigation he should choose as soon as he can a suitable assistant to help him. He may borrow an experienced investigator from another department or may select and train a qualified person.

Sometimes the junior administrator can delegate the work of reorganization almost entirely to a competent subordinate. This is particularly feasible where one fairly independent division is in need of improvement and where he has the right person to put in charge.

"Ransome," said a junior administrator to a capable young supervisor, "I have a new job for you. You have done excellent work where you are, but you soon will have a chance to show what you are made of. The accounts in Stannard's division are badly out of balance. Nobody over there seems to understand the importance of keeping an exact balance! You know their figures have to tie in with the general books, and they don't. Moreover, the individual ledger cards are inaccurate. I want you to go in there and set up a real accounting system and get it to work. No errors in balance shall get by! Are you interested?"

"Interested? Yes! But what about Stannard and his assistant, Jackson? They won't listen to me!"

"They will have to listen. You will be in complete charge. I will demote them to any jobs you figure they can handle. It will be entirely up to you, and you will report direct to me. I must know, of course, that everything is straightened up, and that the accounts balance exactly."

"If I am in charge, I can do the job, sir; and I will!"

The two weak supervisors were put on unimportant special

jobs, and Ransome went ahead. He found the clerks demoralized and indifferent to accounting reliability. He installed a system of machine bookkeeping, and on the accounting machines he put carefully trained new operators to insure the correctness of posting. He set up controls, checks and balances so that he could tell if the records got out of balance again. He had each individual ledger card audited to show up the former errors and inconsistencies; and thereafter maintained a continuous audit. He gradually got the clerks interested in doing an accurate job, and retrained and supervised them himself. Several good young men were developed to head up the various sections.

When the older man retired after a few years, all ill feeling in the division was gone. The former assistant, Jackson, had seen that only careful work would get him anywhere, and improved himself to the point where he was ready to hold a responsible position again.

When the staff was thoroughly imbued with habits of accuracy, Ransome simplified the routines and eliminated some of the checking operations. First he got the quality of work he was determined to have, then he was able to get lower costs without sacrificing accuracy.

The problem of reorganization may be particularly acute when a number of different divisions are affected. The co-operation of many persons is usually required.

A junior administrator took charge over a group of divisions which had operated for a long time under an old system. New complexities in the work, changes in the business environment, and enormous growth made necessary a complete program for reorganization.

A thoroughgoing plan took many months of study. It was tried out first on a limited section of the work. The older division heads were drawn into a committee to act on the proposals. Little by little they were educated to the need for change. At first they were fearful of losing their prestige, but as they studied the results of the plan, they offered suggestions and fell in with the proposals. Three able men were selected to go at different portions of the work. One became head of an important central division. The second was put in charge of the extension of the experiment. The third man was made a general assistant to work on whatever portion of the reorganization needed intensive study. The three cooperated closely, with the direct supervision of the junior administrator and careful indirect control by the senior administrator. Some of the older division heads took an active part. The others realized that they would be taken care of, and cooperated in one

capacity or another. Retirements on pension created vacancies which were used to reward the intensive efforts of rising men.

Sometimes a committee may function effectively in a reorganization.

A new officer felt that considerable reorganization of the work was needed in his numerous divisions. He believed that those working on the jobs would have valuable suggestions and created a large committee of employees, two from each division. The representatives of the different divisions were changed every few months, thus giving many individuals the chance to serve. They studied the routines and made suggestions. In the course of a year and a half, the consensus of opinion was that a thoroughgoing reorganization was needed, and the lines along which it should proceed were mapped out. Since many persons had become familiar with the problems, the atmosphere of change had succeeded that of stagnation, and the plans went through with excellent cooperation.

Especially where more than one department is affected by a sweeping reorganization, a central planning division may be very helpful along with a committee.

In a company which was undertaking considerable revision of methods, an important junior officer was raised in rank to become a major officer in charge of personnel and planning. Under him was a full-time planning man. The plans were worked out tentatively by the planning officer and his assistant, and presented to an interdepartmental committee of three junior administrators who cooperated closely with the major officer and with one another in putting through the reorganization. As matters of policy arose, their seniors were drawn into the picture. Each of the three junior administrators was in charge of developments in his own department, and secured the assistance, as desired, of their own subordinate supervisors.

An established planning division can be of great help to the junior administrator who wishes to have revisions of the work. Particularly when there has been a change of administrator, an analysis by the planning men may be helpful in bringing in a report of what is actually done, of what improvement is needed, and how progress should be made. Periodical surveys of departmental procedures also yield economies and greater smoothness of functioning. The plan-

ning division may suggest a definite revision or may work along the lines the officer has in mind. He should keep in touch with what they do and seek to make the most of their contributions.

Outside consultants can also render valuable service in cutting through tradition, in presenting new ideas, or in re-suggesting ideas which have not been adopted. They are perhaps especially useful where the officers who must pass on a revision are not sufficiently aware of the need for a change.

The filing of correspondence and working papers was becoming an expensive problem in a company where office space was limited. The officer in charge and his assistants were aware that many of these records were useless, but the general counsel had ruled that no papers of any kind were to be thrown away because they might some day be needed in court. The consultants made up a list of forms and of types of correspondence which seemed of no legal value, and made an appointment to see the general counsel for half an hour. They went armed with a number of fat folders from the file.

"We are impressed with the amount of material of doubtful value kept at considerable expense for space, equipment and clerical salary. Of course the company wants to keep everything which *may* be useful in the future, but I have looked over some material which seems quite useless. Will you look at a few of these folders and tell me if there is anything which could be thrown away?"

The officer picked up a folder and thumbed through it. "This is of no earthly use—should never have been filed . . . No use . . . Now this, of course, I might want . . . No use . . . This form is seldom questioned, but there have been cases where I have needed it; looks worthless enough, that's why I tell people not to throw things away without consulting me . . . No use . . . No use . . . What junk these people file!"

"Could you make a list of temporary forms which would not have to be saved?"

"Surely I could. Also most of this correspondence. I had no idea all this junk was filed."

"If you saw the files stretching aisle after aisle, the expense would make you impatient. Here is a list I made up tentatively of forms and letters which I personally would not file. Would it take long to look over it?"

"Certainly not; I shall be glad to help get rid of this useless stuff.

The ones which *might* come in handy we can give the benefit of the doubt, but nine-tenths of this can be eliminated."

In another company, plans and counterplans for reorganizing interdepartmental work had not been agreed to by the different officers in charge, and the senior officers did not have time personally to investigate. Consultants were called in to criticize the plans and make suggestions. One day the chief executive asked them how they were getting on.

"Splendidly, just now. Everyone thinks we are fine. The people on each side are so convinced of the reasonableness of their own propositions that they think apparently reasonable outsiders must agree with them. We don't know what will happen, however, when we cannot agree in full with either side."

The consultants continued the investigation and suggested a solution which gave each side much of what was wanted and which went beyond both plans in several respects. Agreement was secured because the investigation had shown up facts new to each side; and because the presentation was entirely impartial and disinterested. Each side had a new understanding of the needs and problems of the other. The plans were carried out in a friendly spirit by all concerned.

Good results are often obtained when outside consultants work with an established planning division and with the officers and supervisors concerned. Here the planning division contributes exact knowledge of the company's procedures and of the background factors; the consultants bring a broad and detached view with a knowledge of what has worked elsewhere; and the supervisors know most about the concrete work affected and are the important persons actually carrying out what is decided on.

PRESENTING THE PLANS

The handling of personnel in a reorganization is ever more important than is an improvement of methods. The author has found better results from poor systems with high morale than with the best of systems operated with low morale or lack of understanding. A new system can always be put in from the top, but its acceptance by those who will work under it will determine to a large extent what the results will be. Particularly those in charge of operations

should be in favor of the change or at least open-minded toward it. The initiation of new plans begins with the brain work necessary to work them out, but it is carried through by bringing others into line through understanding and the securing of cooperation. A fiat from a superior will almost always be obeyed, but a willing and adaptable spirit will go far toward making a change succeed. The junior administrator should therefore take special pains to enlist the true interest and cooperation of his subordinates in any new plans. Further, he should watch carefully the morale aspects of changes of system which are carried out by his subordinate supervisors or by men from the planning division.

Two men from the Planning Division went through a large department to secure improvements and economies. They worked very much alone, talking only rarely with the supervisors involved. They boasted privately, however, that they would show large savings. The supervisors felt that their work was being criticized, and that their own ideas for improvement and maintenance were being ignored. When the planning men had developed their system, the officer in charge called a conference of the supervisors concerned to discuss the changes. The planning men presented their findings, some of which appeared in the nature of an attack on the work which had been done. The supervisors were hurt and angry, for in the past they had received praise for their efficiency, and felt that they had not been duly heard. They felt that the planning men had ideas from outside the company which had made savings elsewhere, but that the exact conditions under which the department operated had not been understood.

There was little they could do but accept the plan which had official support. They did so, however, smarting under a feeling of injustice, and under the influence of fear. They did what was asked of them, but their wish to cooperate had been destroyed.

In exceptional circumstances the department is so antiquated that the supervisors immediately concerned cannot wisely be allowed to know about the plan which is being formed. They can, however, be asked for their own opinions and ideas so that they feel they are considered as intelligent human beings. They can be told from time to time that the plan is not yet ready for discussion but that they will be told as soon as it is. Their superior can also assure them that

their interest is valued and that they will be heard and considered before anything is changed.

Whenever the plans can be discussed in tentative fashion those concerned appreciate the courtesy.

A suggestion was made by a planning man to a junior administrator about savings on the set-up of a record. The junior administrator passed the suggestion on to Smythe, his subordinate supervisor in charge of the work, knowing well that Smythe was usually opposed to any change and that he would defend the present practice. He asked Smythe to consider the recommendation. Two days later he told Smythe that his own superior was in favor of the change, adding, "When you make your report, will you bear this in mind?" A few days later Smythe gave a report justifying what was being done, and setting forth some of the difficulties which a change might make.

The officer talked the matter over with Smythe, explained how he thought the difficulties could be met, and emphasized that the superior wanted the change made anyhow. Smythe saw what was to be done, and acquiesced in the orders to make the change. The officer might have used his own authority in the first place, but his handling of the situation gave Smythe a chance to feel himself consulted and to get used to the idea, a stage at a time, before instructions were issued.

In her consulting work the author has always tried to secure the active cooperation of supervisors by conferring with them as much as possible under the circumstances. Sometimes when large changes are involved, a certain amount of secrecy is unavoidable. In instance after instance she has secured permission to go over draft plans with those concerned so as to get valuable comments and to communicate the attitude that the individuals most involved had thoughts and feelings which should be taken into account. Many planning men follow the same practice and are rewarded by a high degree of cooperation.

However, when the reorganization plan may affect the positions of those in charge of sections of the work, secrecy is necessary and great pains should be taken to prevent "leaks" and to work quietly until the officers are ready to act. Sometimes work is eliminated and the personnel with it.

Tact, sympathy, and foresight will greatly aid such readjustments.

In one company, three separate divisions in as many departments handled differing but interrelated aspects of handling arrears in payments. Most of the work of two of the divisions was readily combined and put under the older of two supervisors. The other supervisor was absorbed along with part of the remaining work into another department. The third division handled only certain kinds of arrears, and constituted a grave problem, since the method as a whole was to be eliminated, thus throwing nearly twenty persons out of their jobs. It was provided that the clerks would be absorbed elsewhere in the company. The supervisor, however, was a man in the prime of life, who had put his heart into building up his division. His officer called him in, and explained that it was through no fault of his that the work was to be abolished. A place would be found for him where he would be taken care of and given an opportunity to rise to responsibility. His salary was to be maintained at the current level. The tact with which the reorganization was carried through was shown by his remark to a friend, "Boy, it was a blow to me! I never dreamed this would happen. The kindness, however, which had been shown me is something I shall never forget. I know I can trust the management to give me a real chance. You know, I feel that the people who handled this situation should apply to the diplomatic service. They sure know how a fellow feels. Instead of feeling licked, the way they put it to me, I just feel I *have* to make the grade and make good on the next job."

So far consideration for the supervisors has been discussed. The rank and file also are concerned in many reorganizations. Much nervous tension may be avoided when the junior administrator reassures people that their jobs are safe and that even if adjustments must be made, the personnel will be considered and taken care of.

In one departmental reorganization, the officer in charge circulated a letter to the staff telling them the broad outlines of the changes, and stating that no one was to be discharged and that rearrangement of tasks would be carried out in as just and considerate a manner as possible.

Those installing new systems should bear in mind that the ideas they have worked out will sound complicated to others even if really much simpler. The mere number of words needed to explain a new system makes it seem harder.

A flow of work chart of the old routine often shows up the backtracking, wandering, and complications to an extent which surprises those knowing the details well; and a chart of the proposed routine will clearly bring out the simplifications even when the text going into unfamiliar details may seem longer. Moreover, even a simpler method of doing work may take longer in the beginning, until new habits are set up. Saying the alphabet in the customary order is easy and quick; saying the same number of letters backwards takes five to ten times as long!

PERSONNEL PROBLEMS IN REORGANIZATION

In a thoroughgoing reorganization many persons must be moved to other work. Some can easily be retrained and fitted in. The able and adaptable offer few problems other than those of orderly change and proper training. Others are problem cases to be dealt with according to the best human wisdom and the most enlightened personnel practices. The misfits and those of limited capacities present many difficulties. Sometimes the personnel is in greater need of overhauling than the systems; and sometimes the character of the personnel has held up overdue changes.

The supervisors in particular offer many problems. Some of those who are weak may be helped to qualify, but others may be too far entrenched in their old traditions or too lacking in the necessary abilities to hold their own. They must be replaced or closely supervised, or assisted by an abler person, or even moved to other work entirely. When the present incumbents have given satisfactory service in the past, many companies do not discharge them. The best wisdom, courage, and resourcefulness may be needed to find the right solutions.

Sometimes early retirement is the answer. Some men are glad to retire a few years early on a smaller pension.

One company used this expedient with considerable success. One man, for instance, did not really have his heart in his work. He was a bachelor and had a hobby which engrossed his attention.

His pension afforded an opportunity to do what he preferred a few years in advance of the normal retirement age.

Another man had an independent income and was glad to have a few extra years of leisure with his wife.

When ineffective older men and women are kept on, the cost is often called a "hidden pension." Continuing their employment may be costly to themselves in energy, to their co-workers because of their inefficiency on their jobs, and to the company in the direct and indirect costs. Sometimes an arrangement can be made to retire these persons under a special agreement if there is no pension system.

"We don't have a pension plan, but Social Security has enabled us to retire several older persons by paying an amount which with their government pension gives them enough to live on. I did not realize how much Social Security would help. Sometimes paying even a small part of the former salary is enough to rid us of a burden on our department."

When a person is good in most respects but deficient in some, he may be assisted by another sufficiently young so that the salary expenditure for the two need not be extravagant. For such an arrangement to work, either the older man should continue in full authority or each should have specific responsibilities. Often the older man may continue to do special work where his long experience is of benefit, and the younger takes over the active responsibility for handling the staff, scheduling the work, and making improvements. Sometimes this relationship naturally results in the younger man's taking over more and more duties until finally he is definitely recognized as the chief supervisor.

An older man was no longer able to handle the work of his department. He was subject to frequent illness, but did not wish to retire. His assistant became the active head, while he remained on important individual work.

The appointment of a strong assistant under an older man works relatively well when the nominal superior has his own strong points or where he is entirely willing to delegate all important duties to the "assistant." The arrangement is not satisfactory, however, if the nominal superior

holds on to work he is not doing satisfactorily or where his assistant is not recognized by others as the proper person to contact.

Ferguson, the senior supervisor of a large division, lost the confidence of the management by a bad blunder, but it was decided not to dismiss or move him. A strong assistant, Blake, was put in, and ran the division in most respects. The positions of the two were not understood elsewhere. Superiors continued to call on Ferguson for information he could not give; and other departments and divisions consulted him instead of his "assistant" regarding interdepartmental arrangements. The situation grew more awkward year by year.

The situation might have worked out reasonably well had there been a clear understanding among the officers, Ferguson, and the "assistant." If Ferguson had been clearly told in what respects he would no longer have authority, he could have been helped to say when he was consulted by others, "I do not handle that phase of the work. I wish you would talk to Blake, for he has all the data on it." Such an arrangement is extremely difficult to make without breaking the morale of the senior man, but it can sometimes be done if he is bolstered up by being made to feel that his services are of value along certain distinct lines.

In this case, stepping Blake definitely over Ferguson would probably have been less painful in the long run, and would certainly have been more efficient.

Duties can sometimes be distributed by leaving the senior the work he is skilled to do but placing other duties under a new appointee. This works out especially well when the division can be definitely split in two and when most matters affecting interrelations can be put under the new supervisor.

Sometimes the present incumbent is most excellent in some specialty but is weak on systems or on personnel matters. Here it is sometimes possible to give the senior man a title of some kind to indicate the dignity of his specialized work, but to put the junior man in charge of the functioning of the division. The junior can have a free hand to increase the efficiency of operation, yet the value of the senior on his specialty is not diminished.

A large department was headed by Dobey, a man of unusual talent as a specialist. He was not a good administrator of the routine functions. Rolfe, his assistant, was less good technically

but was a good supervisor. Dobey would not, however, give Rolfe free rein to direct the operations. The management decided to give the specialist a promotion, provide him with a private office, and otherwise show appreciation of his excellent judgment. Then they promoted Rolfe to be head of the department. A clear definition of the duties of each clarified the situation, and the efficiency of routine operations was greatly increased.

Redefining the duties so that a man can concentrate on what he does best can make him more valuable while removing the difficulties which arise from his weaknesses. Such a reallocation may appear to be "kicking a man upstairs," a practice which is seldom a true solution since the man so treated is generally uncertain of his duties and of himself.

A new superior may be put over the head of the person who is not giving satisfaction. There are generally fewer hard feelings and the good will of the old incumbent is better retained when the new senior is appointed to a higher rank. The arrangement is especially good when several divisions can be placed under the new superior who in this case becomes a leading assistant to the junior administrator. Elevating one man to a new position may be well accepted by others since it is a new dignity to him rather than a slap to the others. The addition to the executive budget has to be justified but in many circumstances it clearly can be. The junior administrator may already have reporting to him a greater number of supervisors than is consistent with good span of control; or he may not have a competent understudy for himself; or he may need a strong subordinate to head up the work of several related divisions and to bring about greater coordination of the work.

The promotion of the younger man sometimes can be made to reflect honor on the person he passed.

A supervisor told the author with much pride of his part in shaping the career of an important officer. "It was through me that Jones came with the company. I knew his father, and asked him to send the boy to apply to me for a job. I soon found that he was of greater capacity than I needed in my section, so I asked for a transfer for him. He rose quickly, and now I am proud of my officer."

The demotion of the old head and the appointment of a new man is difficult at the time but may be necessary.

A division was doing badly, and its books were seriously out of balance. A man new to the division was put in to reorganize it. The person deposed did what he was told, and was allowed to sign letters as though he were still head. Authority was, however, vested in the younger man. The old man spoke to the new chief as little as possible; most communication was made through the secretary, and outside the department they did not speak at all. The former assistant was put back on clerical work of a high-grade nature. The new chief tried his best to get on with this man, with mediocre results. He continued efforts to develop him, and after a number of years when the sloppy practices had been stopped, succeeded in getting his true cooperation and was able once more to promote him.

An equivocal line-up of authority will generally harm more than it will help.

A man in charge of a large division was lacking in the necessary qualities of leadership, although he was considered too good to be demoted. A man with some advisory duties was placed in an office nearby, at a higher salary, and was definitely superior to the incumbent. It was not made clear, however, who had authority for what. Although more technical knowledge was available and more ability too, the net result was friction, misunderstanding, and unhappiness for the old incumbent and his subordinates, who did not know with whom to deal.

If the management desired to put the experienced man over the incumbent, the arrangement should definitely have been explained and announced, so that the value of his services could have been utilized by the officers, the supervisors, and the staff.

When demotion is necessary, usually the happiest solution is to move the former incumbent out of the division entirely.

A man thoroughly conscientious in all respects, but lacking in qualities of leadership, had been superseded by his assistant in everything except title. The assistant was the soul of tact, and always secured his so-called chief's consent for any important step, but the situation was embarrassing to both. The time came when the younger man had to be recognized. The older man was moved to another division and was made assistant registrar, so that he might relieve the junior administrator by signing checks for disbursements of limited size. The arrangement was advantageous,

since he was meticulous, and reviewed the supporting documents. When he had time on his hands, he offered to do other checking work. Gradually he learned to do various jobs and became a valuable minor supervisor in his new division.

In another case, a man was not giving satisfaction as a supervisor. He was moved to another division, where his accurate and methodical mind soon earned him praise and recognition in a senior clerical post. He was not only more useful but happier.

Sometimes a new man can be tried out even while the unsatisfactory incumbent remains on the job.

An older man had been section head for years, but was not competent for the supervisory work needed. The junior officer found a good young man in another department, and borrowed him as a senior clerk. It was announced that he could improve the flow of work between his new and old divisions by knowing the detail. He was told to bear in mind the possibility of a new system about which he had technical knowledge; and that if he made good on his new job, he would be made assistant section head. He showed his capacity by helping install the new system, and incidentally supervised some of the clerks. Having demonstrated his capacity both technical and supervisory, he was made assistant head. The older man was not demoted, but the younger will undoubtedly take over some of the supervisory activities, though turning to the older man for handling of problems where long experience is an advantage.

The problem of working around those who cannot be moved is a difficult one. It is by no means rare for a junior administrator to be told that he cannot move or remove some old-timer who blocks the progress of the department and draws a salary out of proportion to his present services. If the corporation has the funds to continue to pay him, the outlay may be justified since the morale of other persons will not be shaken by a demotion or discharge—with two provisos, namely, that retaining the present incumbent in his present capacity does not undermine the morale of the more deserving, and that it does not seriously interfere with the conduct of the work.

"It certainly makes me boil to know that that fellow is getting such a large salary and not earning it," said an able young man to a colleague.

"Sure, it eats me up too; but I figure it this way: some time you and I may slip down hill too. We may have to wait a while till we get what is coming to us, but isn't it a comfort to know that if we get rusty there will still be a good salary to take home to the wife and kiddies?"

Some situations, however, undermine the morale of others to an intolerable extent.

A junior administrator wished to discharge one fellow who did little if any valuable work, but who was drawing a supervisory salary.

"I just have to accept the situation, for my chief won't hear of my firing Sam. Yet I have told the chief I cannot let him continue to mis-supervise the division. I have permission at last to use him on individual work. I have found a place for him where he is not doing any harm, but he certainly does not justify his salary—and never will. What bothers me most is that the boys never forget it. You may think salaries are confidential, but the way Sam dresses gives the story away."

There are many odd spots in a large company where those who have fallen down on supervision can have a chance to reinstate themselves as valuable individual workers. They may even earn a higher salary for high-grade clerical work than for low-grade supervision. The junior administrator needs courage and resourcefulness to face an unsatisfactory situation. He must first find another chance for the individual, then tell him frankly why he is a misfit where he is and how he can make good in another place. He may become a neurotic and unhappy person where he does not give satisfaction, but if his self-confidence is not impaired by continuing to face an impossible situation he may make good in another capacity. Too often a junior administrator puts off making such adaptations from a mistaken kindheartedness. His duty is first to the organization. He does an injury to good and satisfactory people when he retains in a supervisory position one who cannot fill it. His second duty is to do what he can for the individual. When he puts his mind to work looking for a solution instead of looking for reasons to do nothing, he can often find a way out which will benefit the individual as well as the group.

CHAPTER X

HANDLING SUGGESTIONS: A MEANS FOR DEVELOPING PEOPLE

ONE of the most fruitful means of developing people in all levels is by the wise handling of suggestions. It is sometimes asked, "Why should an officer bother to encourage suggestions from his department? He himself is wiser and more experienced and can himself originate improvements. Moreover, he can employ a planning man, a consultant, or some specially gifted person on his staff to do thinking on methods." The ideas embodied in the question certainly have point, but the benefits from stimulating a constant stream of suggestions from below are very great, not only because experience proves that valuable ideas are presented but also because people develop when they think and they expand when they are recognized. Those in actual contact with the work have a detailed knowledge of what is done; they are "closer to the work." They often have ideas for improvement. Frequently they are annoyed by inefficiencies, both large and small. They usually have time to think about their jobs and to seek for better handling if they are encouraged to do so. The development of a stream of suggestions from below is important in the atmosphere it generates. People are more ready for change, they are more adaptable, when they themselves are seeking a better way. Moreover, the person who studies his own job begins to study the situation around him. His understanding reaches out. He expands his imagination when he looks beyond the immediate task to its results. He thinks in terms of his section, his division, his department, the company. He grows. He becomes better

able to do his present job and to prepare for advancement. He lives less in yesterday and more in tomorrow.

"Many executives," said a senior officer of a large business, "think that they are the only ones to have good ideas. They fail to realize that modern business is no longer a one-man show. The corporate enterprise demands a pooling of the experience and ideas of as many of the staff as possible. We have hardly begun yet to tap these mental resources. That is the job ahead of us."

The officer has the responsibility for developing in his staff the desire to work out better methods. In many organizations inertia prevents the adoption of highly worthwhile improvements. In others, change may be made for the sake of change, with resulting confusion and annoyance. The wise officer encourages constructive changes but discourages unsubstantiated recommendations. Some revisions may be made on the authority of his subordinates; others require his own approval. His personal attention is required when the revision affects the public or outside offices or other departments; when some of those involved may not have been consulted; when the cost of making the change is considerable; when his own superior may be concerned; and when his subordinates are inexperienced or not thoroughly competent to think out what is involved. He should particularly consider the long-range effects and see how soon another change may be desirable. He should weigh possible alternatives to the suggestion made.

The most important thing an officer can do toward developing suggestions is to encourage them by his own attitude. If he truly wants to arouse the interest and participation of his staff he will do so. Even when the atmosphere is static, as it may be when he takes over an old department, he can encourage an inquiring attitude by himself asking questions.

A consultant was following a routine and came across a record he considered useless. In the course of conversation with the supervisor, he asked how the record was used. He received the explanation and commented, "Thank you for telling me how you use it. I had not seen the reason for it."

A day or so later, the supervisor came to him and said, "You

remember that record you were asking me about? I told you how it had been used in the past. As I thought it over later, it occurred to me that it is no longer useful, since we now get the information in better form elsewhere." The record was immediately discontinued.

A direct statement, "I don't see the use of that," may antagonize a person or put him on the defensive. "How?" and "Why?" may lead to a productive train of thought by the person asked.

The name and address of every field representative was kept up to date in fourteen different locations outside the Sales Department. The investigator got the forms used in the routine of handling a new appointment, and mounted them on a long sheet of paper which he hung on the wall. He then asked the supervisors whose divisions had the records to come to the office and look over the exhibit. Of course they were impressed with the many name and address cards. Several said, "That seems like an awful lot of records. Why is it necessary to make so many?"

The investigator answered, "That's what I am trying to find out. I don't know yet. They may all really be needed." He asked all the visitors, "Do you put your record to much use?"

In a number of instances, the reply was, "We refer to it only occasionally. I don't think we need it."

Many of the sets outside the Sales Department were eliminated by mutual consent.

The attitude of inquiry will almost surely lead to suggestions.

"We have always sent out all the checks at the first of the month. I think we could get away from the peak load if we sent out some each week," hazarded a division head.

"That's a good idea. Will you make a tentative outline of the procedure? Then we can talk it over again."

The method proposed was crude, but the officer praised several good points, and made one or two suggestions to be included. The next draft was much improved.

The officer can give hints and suggestions in a way which makes the suggester believe that the idea is still his own. Even when the plan can still be improved upon, the officer may be wise to approve it with the comment, "Let's try this out. Further improvements may occur to us after we see it in practice."

THE OFFICER'S HANDLING OF SUGGESTIONS

The best encouragement of suggestions lies in the wise action of the officer. All suggestions should be acted on and the sooner the better. Shelving without comment is even more discouraging than outright rejection. If action cannot be taken promptly the delay should be mentioned. Moreover, if the officer makes a promise to take the matter up at a specified time he should be sure to do so.

In examining a suggestion the officer should try as far as possible to lay aside his own prejudices and even his own reasoned convictions. He should try to see the suggestion as a whole before he comments adversely. Objections should be made tactfully so as not to discourage future initiative. A suggestion should never be laughed at, no matter how ridiculous it may appear. Even a small germ of merit should be appreciated. The officer should not turn down ideas without reason and should give the reason to the suggester if possible. There are many valid causes for rejecting ideas, even good ones, as shown throughout this chapter. Even when he makes a rejection, the officer has an opportunity to encourage initiative. He can show that he welcomes ideas, that he wants his staff to think. He can deal with faults constructively and set the suggester to work on avenues which may lead to worthwhile contributions. He can broaden the view of the suggester by giving explanations. He can help him to develop and present the ideas in usable form.

If he accepts the suggestion he should if possible give credit to the author. Recognition is often difficult, however, particularly when the same contribution may have been made by several persons over a number of years. Misplacing credit leads to more resentment than withholding it.

A president took special trouble to have reported to him the significant accomplishments by younger men. He heard of one notable improvement, and went to the young man's desk and congratulated him. Unfortunately the man who got the praise had taken the idea of another, who was thoroughly annoyed not to receive any credit.

HELP WITH PREPARATION AND PRESENTATION

All inexperienced suggesters need much actual training in the preparation and presentation of suggestions. A supervisor in a discussion group on suggestions said that nine-tenths of all the suggestions which came up were improperly worked out. He was not contradicted. The junior administrator must expect imperfect suggestions, but try to see the germ of the idea underneath and to help the suggester to develop it. Frequently the idea is only partly thought through, and objections and difficulties may not be met. Again, the idea may look good but it may be too general and not worked out sufficiently.

Even when the idea is found to be sound the presentation may be poor or inappropriate. The points may not be clear. It may not be concrete or the details may be lacking. It may be too far-reaching to be practical or not far-reaching enough. Too much detail may be given or the principles may not be shown. The major and minor aspects may not be separated. The facts may not be proved or may be badly selected; or historical material may be lacking. Objections and difficulties may not have been anticipated. The importance of the idea may not be emphasized, nor the accomplishment to be expected. No definite saving may be shown; the investment in money or time may not be described. Benefits in better service, increased speed, or higher accuracy may not be clear. The time to show results may not be given. There may be no consideration of the transition period, nor of what would happen if the idea is proved unsuccessful in application.

The gravest difficulties, however, are those due to limited experience and knowledge on the part of the suggester. He often lacks knowledge of the broader aspects of the work; of the handling in other divisions or departments; and of the complex interrelationships, both in the technical and personnel aspects. His narrow view may give rise to one-sided suggestions. Further, he may not know the technique

of planning which is an art using various specific tools, such as form design, routine analysis, office machinery, and many other specialties.

Often the suggester is unaware of factors which the junior administrator should consider before accepting a suggestion. Alternatives may need to be weighed. Others may have made proposals or may be engaged in working out ideas. The adoption of the suggestion might necessitate changes elsewhere, often in other departments. Colleagues may be opposed. The change may involve taking work from someone else, perhaps in another division, or may be selfish on the part of the suggester or impractical because too upsetting to others. Many kinds of personnel difficulties are encountered, particularly in considering far-reaching suggestions. Displacing certain persons may be inadvisable or time may be needed to find places where they can be absorbed; or persons qualified to carry out the new technique may not be available. The superior officer or officers may not approve or those in other departments may be disinclined to concur. Although the junior officer should be careful not to criticize his superiors or colleagues, he should try as well as he can to give their reasons and to promote understanding. He does well to educate his own staff on what can and cannot be effectively carried out, especially when the obstacles lie in the feelings and thoughts of others at the time.

Training in presentation is easiest if suggestions are presented in written form. When suggestions are designed only for the junior administrator or his assistants, they should be suited to his own mode of thinking and prepared in the manner which the officer himself finds is best for him. His time must be conserved, especially when suggestions become frequent. There is no one best form for recommendations since different minds function according to different patterns. Some persons require evidence, perhaps including statistics, as to why a change is necessary. Some wish only a brief general outline giving the gist of the idea and are quite willing to leave the detail until after the principle has been

acted on. The junior administrator should teach his more able suggesters how he likes plans prepared, the information he wishes regarding the present and proposed methods, the amount of supporting evidence he requires, whether he wishes an estimate of proposed savings, and so forth.

Sometimes a desirable form for a detailed presentation is as follows: (1) general synopsis of outstanding principles and results; (2) the need for the change, often including a description of the faults of the present system; (3) the proposed change, broken into (a) general principles requiring administrative action, and (b) subsidiary procedures which can be put into effect by designated persons down the line if the general principles are approved; (4) miscellaneous comments; (5) appendix showing details of present and proposed methods, including, if desired, charts of the flow of work and statistics. Numbering and indenting concrete suggestions may be an aid to attention.

The officer can guide the ablest of his suggesters to improve their technique and to take advantage of expert knowledge. The officer should see that his men utilize the central facilities, particularly the planning division. This division has specialized knowledge and often special records which should be helpful. Able suggesters who are frequently working out new proposals should learn from the planning men how to analyze flow of work, speed of performance, and overlap of routines; how to chart their findings; and how to plan the proposals in terms of cost, floor layout, form design, and other matters. If there is no planning division the officer should put his men in touch with others in the company who have specialized in one or another aspect of planning work.

A company library is a large help to those who try to develop their powers. Books on office management, on supervision, and on the technical aspects of the business can be widely used. An editor of business books says that he is continually surprised at how little the American businessman reads on his own subjects.

Some companies do not have a centralized library but maintain small collections of books in several different departments. If this plan is in operation care should be taken to see that needed books are included in the proper collection and that there is some cross-indexing scheme for interdepartmental borrowing.

One of several officers charged with joint responsibility for an important technical function subscribed to the proceedings of the professional association. His secretary indexed the proceedings and referred to his chief assistants the important material.

Presently the other officers began to borrow the material also. It so happened, however, that the department chiefly concerned in the function had not previously taken an interest in intercompany associations. The technical men would have benefited greatly from reading the material, but since it was kept on another floor under another officer they hesitated to borrow. A duplicate file for their special use might have been set up or a central location might have been established so that all concerned might use common facilities.

The officer can broaden his promising subordinates by encouraging them to get an outside point of view. He can send them to visit another company, thus getting a perspective on what is done elsewhere. Some junior administrators make a regular practice of sending a man to a near-by company for information; or perhaps on a trip to distant companies. Even if they return with the idea that their own system is best they will usually have a broader viewpoint.

Attendance at professional associations and intercompany meetings is an important way of freshening and broadening the point of view of leading supervisors and technical men. Often the company custom is to designate certain senior men to attend meetings. These same officers go year after year and often get bored. Men below official rank, however, can get an enormous stimulus from meeting persons from other companies at conventions and from hearing about their practices. They may come back with a new point of view and an increased desire to improve the work with which they are charged. Undoubtedly certain officers should attend important meetings and maintain close associations with their

fellows. The benefit, however, can well be spread to those down the line when the convention city is near-by or when there is company business for a man to transact in or near the convention city.

"I should like to send Smith to the meeting," said a senior officer, "but I don't think he has had many opportunities for mixing, and I fear he might be ill at ease. He might not be a credit to the company."

He overcame the hesitation, however, and sent Smith. Afterwards the comment was, "I took Smith with me and introduced him around. At first he was very retiring, but he soon got into the spirit of the thing. He met some men of similar rank, and got some valuable ideas from them. I am glad he went. Next year I hope to take Johnson too. I think they would get more benefit from it than I do myself."

More and more frequently officers are taking along younger men. They find the opportunity for chats on the train or in the hotel a valuable way to learn to know their own people better. The men also get a valuable detachment from the problems of the office and they may return in a more constructive state of mind.

Persons in the middle levels of the company can gain much of value to the company by joining and attending management and professional organizations. Those who attend meetings at company expense should turn in a written report on the meeting, mentioning any ideas they believe of value to the company. Those who receive the publications of the various societies might be required to review them for their superiors. The company library might have the responsibility for seeing that articles of probable interest were abstracted by someone on the staff. The abstracts could then be circulated to those who might be interested.

One of the most important ways an officer can help his men with their suggestions is by guiding them to confer with the proper persons. Conference is vital to working out and adopting practical proposals. The officer can encourage his men to talk things over among themselves and to consult those concerned in other departments. Individual consulta-

tions between supervisors concerned on common work are important parts of the planning procedure. They get to know each other's problems and points of view, and ultimately learn to adjust many matters without the intervention of the officers concerned. The superiors can take care that they are duly informed so that they can prevent unwise action and facilitate wise solutions.

The proposals concerned are enriched by contributions from all concerned.

A director of research had his men draft their suggestions and sign them. The draft was circulated to their equals and superiors in the Research Department. Comments were attached, and routed back to the author. After he had a chance to revise his original idea in the light of criticism, final action was taken. The combination of individual authorship and collaborative criticism secured a high level of result.

Often the junior administrator refers proposals to a committee for discussion. Committee action works out best when the committee reports to a designated person to whom the members are responsible for bringing in the results. The value of interdepartmental committees was brought out in an earlier chapter.

Some kinds of ideas suffer greatly at the hands of a committee, especially creative and striking ideas for publicity, advertising, sales, and so forth. Often a committee or a series of persons must pass on these to make sure that company policy is correctly interpreted and that activities are integrated. Action is facilitated in such work if each person removes only what he strongly objects to, and makes suggestions for improvement in a tentative manner only. An original and colorful draft may otherwise be made drab or mixed up by the collaboration of too many authors.

"We have a lot of trouble getting action on ideas for sales promotion," remarked one young supervisor. "Our ideas have to be passed on by a number of persons concerned. They red-pencil what they don't like and add their own comments. By the time we get through, there is no consistency, and nobody is pleased. The chances are that the timeliness is lost."

The junior officer often goes to considerable trouble to get approval of others for trying out the suggestion of one of his men. Where his own superior and colleagues are concerned, special attention is needed to the requirements of the work and to the reactions of others. The particular knowledge and experience of the chief must be borne in mind, and the material so presented that the form is congenial, so that it is easy for him to act, so that his objections can be foreseen and met, and his questions answered. The greater the expense, the greater usually is the hesitation. Important proposals need more careful preparation than smaller ones. Some ideas are not important enough to press unless they are easily accepted; others are too important to act on quickly.

The officer must be prepared to meet in his colleagues, in his superior, and in himself the common feelings which may block a clear view of suggestions. These are aversion to what has "never been done before," inertia, fear of the unknown, stubbornness, pride, prejudice, jealousy, the desire for originality, and a perfectionism which is unwilling to proceed unless the plan is as perfect as it can be made. These points were taken up in Chapter V as difficulties in presenting ideas to a superior.

Sometimes approval can be secured on an experimental basis. The effects of any large change can usually be predicted only within certain limits. While care should be taken to foresee results, nevertheless actual experience will suggest further improvements and counteract unanticipated difficulties. The way the junior administrator approaches his superiors and colleagues may have much to do with their reaction.

Agreement of two important officers was necessary before an important new method could be tried out on a preliminary basis. One thought a perfect plan could be worked out on paper. The plan was put to him as a definite way to prove the idea, with measured results to compare to the old method. The other believed that only by experiment could one tell whether an idea would work. The plan was sold to him as an experiment, to be tried out

and modified as seemed desirable in the light of experience. Agreement was reached by catering to both views and using the measure of truth in each.

When a good plan fails to secure action, the junior administrator should have sympathy with his subordinates when they bring up the same ideas again. Reasonable persistency is a virtue. In an organization an idea may have to be considered a number of times before it is adopted by a group of persons. Sometimes a new point may be used to raise an old suggestion.

A young man saw some of the difficulties of a current procedure and collected figures to show the extra work caused. When his superiors saw the data, they found that he had new evidence about a subject on which for years they had been trying to get a thoroughgoing revision. They sponsored the young man's statistics and recommendations. The junior officer secured the approval of his chief to initiate the change, because the data dramatized the need for improvement in a fresh way.

BUILDING UP A FLOW OF SUGGESTIONS

The junior administrator has succeeded in his handling of suggestions when there is a steady flow of ideas for improvement with a wide participation of the staff. At first, he may need to elicit suggestions by his own inquiries, by using any ideas presented, and by gradually training people to work more constructively. During this stage he should handle suggestions personally so as to give the needed training and encouragement. As a rhythm of progress is obtained, often a group of able people will originate a steady stream of improvements. He will then devote his primary attention to this group, helping them to become versed in the art of planning. He will leave more and more discretion to his able suggesters, but he will look over their recommendations from the broad, managerial point of view, considering the technical and human relations involved. He will act to prevent mistakes and to forestall difficulties.

Suggestions should, however, flow freely from the rank and file. The leading assistants should learn to act on sug-

gestions from those down the line and to digest proposals for the officer. Together they will work out a technique not only for acting on suggestions but for guiding and inspiring them.

The officer will select the good ideas for development, but not all of these will be opportune and some will be conflicting. He must gear suggestions to a program. Further, he must teach his men to look for solutions to pressing problems. He should guide their endeavors while encouraging initiative. He should look ahead, also, to see what the results are likely to be.

The officer should encourage his men to bring him their ideas in an early stage to get his reactions, and in a sense to get permission to spend their time on a problem. He can thus save them fruitless labor over a proposal which he thinks he or his superior will almost surely reject.

An officer, Pearson, did not appreciate the attitude of his superior, and allowed Roberts to spend months of work on an impractical suggestion.

Pearson was impressed with the possibilities of mechanizing a routine, and gave Roberts permission to make a study extending over several months. The plan recommended was feasible, and met with Pearson's views. His own chief, however, rejected the idea on the ground that the workers displaced could not be absorbed elsewhere. Pearson might have ascertained, before allowing the study to be made, how the displaced persons could be absorbed, and might have consulted his superior on the policies involved.

The wise administrator will not, of course, discourage his men from working in their leisure time on any idea which they think will ultimately prove valuable. He does not wish to be prejudiced and knows that he has in the past underestimated ideas which finally worked out well. As a dynamic leader he attaches little value to the motto of the static person, "It has never been done that way before. What we are doing now is quite satisfactory." He therefore does not dissuade his men from following out an idea, but indicates instead that objections will have to be overcome.

The best results are achieved when work on suggestions is channeled into an integrated plan.

A brilliant young man came to a friend's office, feeling much crushed. "The chief does not want me to go ahead with this idea now. He says there is too much else on the calendar."

"Don't let that discourage you, I know what he is up against. You see, he has a comprehensive program for development. You and your side-kick are perpetually getting bright ideas, but you forget that you occupy his time with them. He is so conscious of the pride you take in your work that he wants to back you up as much as he can. If you have a constructive suggestion, he wants to get it; but the more important it is, the more he has to study it so that he can get his own chief's approval for you. Then if he does not agree with you, he does not like to turn you down and spoil your work, so he leans over backwards to make sure he is right in putting it aside. Now, I would look at it this way: your chief's hands are full, and he knows what his big problems are. You want to help him with those, as your best way to serve the department, and incidentally to build your own reputation. Why not work on the particular thing the chief wants done? Won't that get everybody further ahead in the long run than your spending perhaps three months' night work on something which may get turned down later by his superior?"

The young man came back the next day. "You sure gave me a good talking to yesterday. You put matters in a fresh light. Of course I see how my running down blind alleys has bothered the chief. I hope you don't mind, but I went to him this morning, told him you had given me a new slant, and I said, 'I want to be just as helpful to you and to the department as I can, sir. I'll work on just what fits in with your plans.'"

"The chief answered, 'Fine, Tom. I hoped you would see it some day. Meanwhile if you and Peter have any bright ideas, bring them here. If I can use them right away, I will. Otherwise we'll keep them until we have more time to work them out.'"

Adjusting to the atomic age means almost constant change in business. Therefore looking ahead is a necessity for the successful administrator. Nevertheless, he should avoid "change for the sake of change" or too much restlessness. While the momentum of progress leads to frequent adjustments, there should be occasional periods of rest to consolidate the gains.

"We have had too many changes around here. We feel dizzy all the time," remarked a junior administrator. "I am planning a vacation from change for my department, so we can get a feeling of catching our breaths. When we have perfected the changes we have already carried through, it will be time enough to start something new."

CHAPTER XI

ORGANIZING HIS OWN JOB

THE wide variety of responsibility which the junior administrator has to handle necessitates careful organization of his own time. He is subject to tremendous pressure, especially from the conflict of duties and the limitations of his own time and strength.

This chapter gives a number of points to be considered in organizing his job. Some are most important, others are relatively trivial but are included because when overlooked they may cause trouble. The detailed section on the officer's secretary is written because many junior administrators have not realized the importance of an efficient secretary nor the value of her services, and have consequently put up with a woman who is left over from the past or who is merely a good stenographer.

PERSONAL EFFICIENCY

To carry on his work and to prepare himself for still greater achievement the junior administrator should seek a balance of living where his expenditure of energy is at least equaled by the income. As a wise doctor said, "Keep a margin of energy in the bank. You do not believe in overdrawing your bank account. Form the habit of not overdrawing on your more important asset, your own vitality."

A convention of the sales executives of a certain industry was meeting in a ballroom. An executive with great punch and vigor was haranguing them. An observer watched them as they listened. Their faces almost without exception were tense and showed the drive which went into their competitive activities. Forceful men. Pressure, pressure, pressure. Veins standing out on temples. Deep wrinkles. Nerves. Perhaps a vacation in Florida with strenuous golf and swimming and maybe drinking. No relaxation anywhere.

One could not relax. If one did, one would never be able to get started again. One must keep on driving.

The speaker finished and was succeeded by another, an outstanding executive of an outstanding company. He was a short, squat man, who spoke quietly with a steady voice. He seemed in no hurry, under no pressure. He had a delicious sense of humor. He looked years younger than the age given in "Who's Who."

Later this same man was seen at his office. He sat behind a desk, at ease. Two visitors sat before him. In easy fashion he drew them out and talked over important problems. The atmosphere was leisurely. He devoted the full attention of his intellect to the conversation. He looked at various angles of the subject. He was dispassionate. The twinkle in his eye, the humor of his speech, showed that he took nothing too seriously. No crushing weight of responsibility for him. He was master of his own thinking processes. No wonder he was an outstanding man.

Many persons, however, have a nervous, high-strung temperament. If they have a native endowment of health they are capable of a prodigious output of energy for many years. Sooner or later, however, they come to grips with their own limitations.

"I used to work for long hours of overtime," said an outstanding junior administrator. "One winter, I had an important overtime job on my hands, and was spending every night and several weekends at the office. I caught a severe cold and stopped in to see my doctor. 'You're running a temperature. Go home to bed, and stay there until I let you up. If you don't do as I say, you will have pneumonia. I will come to see you tomorrow.' I went home to bed and realized when I gave up that I had a bad case of grippe. When my doctor came, he gave me a talking to which I have never forgotten. He showed me I was undermining my digestion and putting an undue tax on my vitality. He made me give up coffee and tobacco and made me keep to office hours for a while. I felt so run down I decided I needed more insurance. To my surprise I could not get it, but was told to come back in three months. Those months were the longest I ever spent. I did as I was told! In a few months I was a new man. Since then I have decided I must work with nature. When I am tired, I must have extra sleep. I get it. I eat moderately, and pause long enough after lunch to smoke a cigar at leisure. I see to it that I get exercise each week. If I follow the ordinary rules of hygiene by care about sleep, food, and exercise, I need not count my hours of work, and can do all I have to do. I have not had a vacation for several years. That is not right. This year I am going to arrange to get one."

The effectiveness of the officer depends greatly upon his reservoir of health and energy. He should therefore study his physical requirements. He should of course have a good physician to take care of him when he is sick and to keep him in best health. He himself, however, must safeguard his energies by hygienic living. The American public is now food-conscious and people can readily experiment to see what food habits are good for them. Apart from avoidance of excess, individuals disagree. Some eat almost no breakfast or lunch. Some eat three good meals a day. Others thrive best when they have something light to eat between meals. Proper elimination is to many persons a more acute problem than proper nutrition and is a basic requirement for health.

Some people know they require exercise; some need it even when they think they do not. Each individual should experiment as to what easily available form of exercise suits him. Many persons tax their strength by indulging in too active forms. A proper individual balance should be struck. The man who knows he needs exercise should not let himself off with the too frequently heard remark, "Oh, I just don't have time." Some men solve the problem by taking a form of exercise which at the same time gives them needed companionship with their children. Others rise early that they may have a morning walk before beginning the duties of the day.

The pace of living must be compensated for by sound and adequate sleep. In the words of a consulting psychologist,

"Lots of people make a fetish out of sleep—in fact, they never really quite wake up. The truth is that I think half the world would be better off if it slept less and the other half more healthy if it slept more. The amount of sleep you need is entirely a matter of mental or psychic strain—rest is important to the body, sleep to the spirit. I would be willing to say that whoever has to have much sleep is always abnormal, but he'll break down if he doesn't get it or unless someone cures him. In general, the older you grow the less sleep and the more rest you need. I'd rather have people learn to relax than to become more somnolent. If they'd spend

one hour a day letting go their tensions they'd need two hours less sleep."

David Seabury and Alfred Uhler, *How to Get Things Done*, Julian Messner, New York, 1938, pages 157 and 158.

The more tense the body and mind, the more the need to relax in sleep. If one learns to work and to play less stressfully, less sleep is needed. Exercise may be a satisfactory substitute for more than an equivalent time in sleep. So may hobbies or other interests which give a balance to life. "All work and no play makes Jack a dull boy." Sleep not only rests the body but may be an escape from the pressure of emotions, a retreat from worry or unhappiness. The habit of meeting and mastering one's problems without worry is the best remedy, not only for sleeplessness and the need of long sleep but for all the other aspects of mental and physical health.

A common complaint is that there is not time to get enough sleep. The effective person fits his life in large measure to his true needs. Some people need less time in sleeping at night but are refreshed by naps.

A prominent surgeon performed many skilful operations one after another. In order to be at his maximum of effectiveness, he schooled himself to retire to a couch as one patient was wheeled out and another put under the anesthetic. He relaxed so completely that he actually took a short nap between operations.

An executive of a peace organization has for years made tours when he speaks as many as five times a day. The secret of his unwearied buoyancy is told by one of his hostesses. He had risen at five in the morning to drive to a neighboring city for an address at a high school, he spoke to club groups at eleven, after lunch, and at tea, and had an important debate in the evening. He came in before dinner and said, "Fifteen minutes till dinner? Good. Show me to my room and call me in ten minutes." He had a nap and washed up, fresh as a daisy. The hostess was wearied just from chauffeuring him! By the calendar, he is an old man. By his presence, he seems endowed with perpetual strength and zest.

Sleep is not essential to relaxation. It is possible to relax even at one's desk. The technique of relaxing the muscles is described by Dr. Edmund Jacobson in *You Must Relax*.

One can consciously relax various sets of muscles from toe to head. The muscles of the hands, the face, the eyes, and those concerned with speech need special attention. To achieve a rest and detachment from problems the emotions can be treated in the same way, feelings being dismissed along with muscular tensions. A similar technique can be applied to the mind, the active pattern of thought being lulled into a drifting reverie or concentrated on some simple and pleasant object such as a favorite flower or a view in the mind's eye. Once the habit of relaxation is built up it is only a matter of seconds to get into this state.

It is a great refreshment in a busy life if one learns to relax for just a few moments, as for instance when the person one visits accepts a long-distance call, or in the time a waiter is bringing lunch. If the elbows are placed on a desk or table and the chin is cupped on the palms of the hands, it is possible to relax the head, neck, shoulders and torso, in fact, the whole body. This can be done without others noticing that one is in a state of complete relaxation. At other times the eyes can be recuperated by a view out of a window or at a picture of mountains or sea. Some people are fed by beauty. On the ride to work, in a walk at noon, or in the evening, the sight of buildings against the sky, of clouds and trees and flowers, can bring a true refreshment to the spirit as well as to the eye.

Rest need not be merely a cessation of activity. Many persons are more refreshed by a change of activity than by inaction. They are able to rest from work by becoming equally intent on something else. Some people have a variety of hobbies to which they devote themselves heartily. One junior administrator gets ready for sleep by listening to the most thrilling of mystery hours over the radio. Many find a relief from daily living in detective stories—one brilliant lady puts herself to sleep by inventing them! While some people marvel at the business some partners make of bridge, this very absorption may afford complete relief from the problems of the day.

Relaxation is not only a rest from work but can be carried into the very process of activity. The successful athlete relaxes the muscles he does *not* use in order to make the most of those he needs. A swimming instructor begins to teach the crawl by showing the learner how to relax the body in the right posture; then certain movements are commenced while the rest of the body lies quiet in the water. Great athletes are conspicuous for their economy of movement and the ease of their well-directed and coordinated efforts. Similarly, the mind benefits from a habit of "relaxed attention." Overexertion in mental processes is just as useless as extra movements and unnecessary muscle tensions in athletics.

Relaxed attention does not mean aimless thinking. Rather, one sets the problem and seeks for all the facts which have a bearing. One then brings up previous experiences which shed light on the situation. One finds alternative courses of action, weighs them, and chooses the one which on the whole seems to use the constructive forces in the situation. The thinking is directed but in an atmosphere devoid of strain. The mind is a machine which the person uses.

Emotional tension prevents the best use of the mind. Most of it springs from some form of self-centeredness due to vanity, egotism, or other faults. This self-centeredness creates a mental and emotional astigmatism, distorting the focus of intelligence. It need not necessarily be conscious to warp the view; the worst effects may be quite unconscious and may even be covered up in a self-deceiving masquerade of high motives and consideration for others. Impersonality is the best corrective for giving one's own self undue and exaggerated emphasis. Objective consideration of one's part in the picture is neither distorting nor blinding, but merely gives to oneself the weight which would be given by some impartial, clear-thinking bystander. An impersonal view of one's relation to the other factors in the situation leads to correct judgments and consistent action. Self-centeredness, on the contrary, leads to prejudice and to emotional tension which is bound to be fatiguing.

Not all emotional tension is self-centered, however. One may strain oneself also to help other people to find the best solution. There will be occasions when such effort seems necessary. A person is most effective, however, when he learns to handle his problems with a minimum of strain.

One of the secrets of successful work is to devote full attention to the thing in hand. Some executives accomplish an enormous amount of work because, having concentrated definitely upon a subject, they reach conclusions and dispose of the matter.

A research man acting as secretary for a committee of a trade association sent a lengthy report to the members for criticism. By return mail, the chairman of the committee sent back his copy with a letter of constructive criticism.

The next time they met, the research man said, "Mr. Sawyer, there is a question I want to ask you. When I send you material for criticism, you always send it back before anybody else has even looked at it, yet you give valuable comments. Your job in your own company must demand more than the full time of an ordinary man, and you do other outside things. How do you manage your time?"

"The answer in this instance is fairly simple. When your report reached me, I was naturally interested in glancing at it. I had a few minutes, so I read it through, hastily. I could well have spent several hours digesting what was there and thinking further into the subject, but I would not have had half a day to spend on it for weeks. So I reflected briefly on what I had read, and dictated the first reactions I had. I am sorry that I don't have time to do things thoroughly, but I have found that first reactions quickly delivered are more valuable to people than longer consideration days or weeks later. I am therefore able to do a great many different things. I carry the same principle through my working day. When I pick up something requiring thought, I say to myself, 'What is the probability of my having thoughts of further value later?' The chances are ten to one that I am wiser to finish the matter when I first take it up. A few subjects I have to lay over for further consideration."

A number of problems do require thought over a considerable period. The problem may be clearly set and the facts gathered, but a satisfactory solution may be lacking. Some people train their minds not to think of business problems except in business hours. Others, however, think these

over as they drive their cars, on the train, in the subway, even in the bathtub. The answer may come as a flash at the most unexpected time. It is told of Henri Poincaré, the mathematician, that the solution of a baffling problem came suddenly into his mind as he was walking in a field of flowers with a friend; and that another came as he was crossing a Paris street to mount a bus. These sudden flashes may occur on waking. Some people sleep always with a pencil and paper beside their beds to record these fleeting thoughts which by morning may be gone past recall. In the midst of concentrated attention on some other line of thought, an idea may come. Graham Wallas, in his book, *The Art of Thought*, recommends that one make a practice of recording an idea at once, lest it be forgotten.

A good way to record items is on a slip of paper or a card of standard size. A slip three by five inches, or two and a half by three, is useful. The secretary can then file the slips according to subject for future reference.

Slips are valuable in problem solving also.

A consultant tells that a client brought him an important business problem one afternoon. The next morning he had the answer. Several months later the man came in and said, "When you got the answer so quickly, I was disappointed, for I did not see how you could get overnight a solution to a problem which my associates and I had sought to solve for months. Nevertheless, you were right. How did you get it so fast?"

When the consultant asked the man to add in his head several figures, each of seven or eight digits, he said, "I can't do that in my head. Give me a slip of paper."

The consultant replied, "I could not solve your problem in my head either. After you left, I wrote on a separate slip every fact which I could recall from the interview. I then sat on the floor and looked over several hundred slips, arranging them in different ways. When I got certain slips together, I saw the indicated solution."

The officer who makes a habit of systematically writing down his data can solve many problems. The act of writing may impress his memory even if he does not refer to it. Moreover, he may come across some idea in his desk months afterwards and suddenly find his mind engaged actively on

it. He may subconsciously have worked out the solution without being aware of the process.

For many years the importance of correct reasoning has been impressed upon us. We live in an age where imagination is coming into stronger prominence. The art of advertising has shown us how prone most of us are to act on reiterated suggestion. The executive can take advantage of his imagination as well as of his reasoning powers. What he strongly suggests to himself sets up a process of thought which may bear fruit later. Not only can he set before himself problems on which he requires an answer, but he can influence his own habit patterns by suggesting to himself what he wants to do. Suggestion takes effect when a person consciously constructs in his imagination what he is going to do. He may begin with reasoned analysis of what he should do. Then he projects himself into the future situation, actually seeing in his mind what action he will take. As dramatically as he can, he makes sound pictures of himself: feels himself going through the motions; and uses his senses to create a situation in advance. These vivid imaginings apparently make a deep impression on the mind and lead to a reproduction of the pattern in actual living. The method sounds thoroughly childish; but adults who have tried the childish method of actually talking to themselves about what they are going to do and picturing their conduct find themselves less childish in actual living, since they live true to the best thinking they can do rather than yielding to the line of least resistance when a situation arises. By the power of visualization we become what we look at, subject to the laws and limitations of our own nature. Many a man has been changed by a new picture of himself put before his mind.

The more positive is one's thinking, the more powerful is the impetus towards bringing it to fruit in action. Many people hold themselves down by the evil effect of negative suggestion. The reiteration of "I can't" will have its result until some strong influence breaks up the restriction. A

mother, for instance, may think she is so afraid of the water that she cannot bring herself to go out in a boat—until her child is in danger, when she will go forth to do what she can, laying aside her fear. The holding of a positive attitude has a cumulative effect. Naturally the result must be within the capacity of the individual. The bootblack will not become president simply by telling himself he will. The attitude "I can do that" should be followed by the question "How can I do it effectively?" Observation and reason can reinforce what will and imagination envision.

The building of definite action patterns is a great aid. A lecturer said that he found ease in public speaking by visualizing himself on the platform, choosing appropriate gestures, listening to his own voice to make it effective, and developing his attitude to the audience deliberately.

Without insincerity, one may develop actions appropriate to the occasion. David Seabury in one of his books says that one would not go to a hunting party in evening clothes nor to a formal dinner in a bathing suit. We dress our bodies in a way appropriate to the activity. It is even more important to clothe ourselves in proper mental costume, putting ourselves as fully as possible into the mood appropriate to the situation.

EFFICIENCY AND ENERGY

A person to be at his best should take into account his own habits and his particular curve of energy so that he can relate his own individual needs to the realities of the job. One person may warm up quickly and do his best work early in the day; another may be most effective later. Walter Pitkin states in one of his books that a man who needs to be at his best at nine o'clock but who takes four hours after waking to be fully active should adjust his sleep and other arrangements so as to get up at five!

Some people are helped to discover their own vital rhythm by looking back at their youth. Perhaps they were originally early wakers, fresh for thought and constructive

action early in the day, but as they grew older they kept late hours at night. Therefore they fell into the bad habit, for them, of sleeping as late as possible in the morning and scurrying through their dressing and breakfast. They may achieve far greater effectiveness by revising their habits so that they wake early, making up their quota of sleep by retiring early some nights in the week or by spending part of Sunday in rest. Some people do clear thinking soon after waking; others strengthen their health and sense of well-being by a walk before breakfast or on the way to the office. Some successful junior administrators come to the office an hour or a half-hour before the opening time to take advantage of their own freshness and the lack of interruption. Some walk to work to add to their physical effectiveness.

Other people, on the other hand, are at their best late in the day or even late at night. No matter how well rested they may be in the morning hours they feel lethargic and only half-alive. Junior administrators of this type do well to follow the practice of those officers who remain after office hours or who do their constructive work at home at night. Furthermore, they should when possible make their most important engagements for the afternoon rather than the morning.

The curve of energy may also vary tremendously in periods of weeks or months. A person may have bursts of energy when he can sustain heavy work and be exceedingly effective; and at another period he may drag through his days doing what he must but without drive for tackling new problems. Such an individual should therefore take special care to do as much nonroutine and constructive work as he can when he is in the upswing; and to keep things going in the downswing. When the level of energy is low he may need extra rest, or on the contrary he may derive benefit from activities which stimulate him: social contacts, hobbies, and week-end diversions to take away the feeling of staleness.

Many people have learned to increase their energy by consciously choosing the contacts which bring them into high gear. A lunch with stimulating acquaintances may act like a shot of adrenalin. Others respond to the rhythm of music. When the vital curve sags, people tend to do routine things which make little call on their energies. Instead, drawing on the reserves may be the better answer. The author has frequently thrown off colds and other infections by consciously engaging in the most stimulating activity she could find. Her physician informed her that this result follows an important physiological pattern. An activity which stimulates the glands associated with high energy heightens the circulation of the blood and calls the body into superior resistance to infection. This physician warned that if this effort failed, however, one should yield quickly and go to bed.

ORGANIZING HIS TIME

The officer should relate his own curve of efficiency to the importance of his various activities. A budget of his time may be helpful even if he cannot adhere to it in any particular day or week. To arrive at this budget, he should record and analyze how he spends his time for a week or so. He can jot down what he does, noting the time of beginning of each activity, the name of the person talked with, and other simple data. His secretary can then total the actual time spent according to major headings, such as time with his superior, with his line assistants, and with his callers; time in handling routines, dictating, studying new developments, and on special projects; time on the telephone by person and reason; time on outside activities, if any; and so forth. He can then judge how much time in his own estimation he wasted or spent unproductively; and how much he should have devoted differently. He can then frame a budget.

Naturally the first requirement is contact with his

superior. The convenience and mental habits of the chief should take precedence of his own, and he should adapt himself intelligently and make his own arrangements tie in with those of his superior. He should find out from actual experience the most appropriate time to take up important matters, and wait for the right occasion.

He will also have to adapt himself to set times for conferences with other officers or for outside meetings. The more important the conference, the better should be his own preparation and the more his care to avoid nervous tension.

The junior administrator spends a fair proportion of his day consulting his men about the work and handling day-to-day problems they bring to him. He should endeavor not to keep them waiting but either to see them or make a later appointment. Often much time of assistants is wasted in an effort to get in to see the chief. If daily consultations are needed, a fixed time is an aid to both the officer and his assistants. Regular conferences of a group may be helpful.

One officer's consultation time is immediately after lunch, when time suffices for any special directions to be carried out in that day's dispatched mail. Urgent matters arising in the morning are brought to his attention by calls arranged by the secretary.

The officer's individual routine work should be done systematically and promptly. It may need to be transacted at a fixed time so that letters or telegrams may be dispatched. He should be careful not to tie up the work of a department by postponing his own action.

Some of the routine is delegated by his chief; some is brought to him by subordinates because they are not qualified or because they need his advice. Some of the technical work of the department requires his time and thought.

He should delegate detail as much as he can. Further, he should dispose promptly of matters requiring merely a

quick review so that they will not be held up by some important difficult decision.

A considerable part of the load may devolve from bylaws or rulings which require certain matters to be handled by him personally. Much can often be competently handled by an understudy. If so, he should attempt to get the rulings changed, showing how much time is taken and how much the work is held up waiting for his attention.

Even if he cannot delegate the work entirely he can train an understudy to do the preliminary work for his own review. The understudy should note exceptions to the general practice or any special comments. However, it is the officer's responsibility to see that work done by subordinates falls within the general policy of the company and department, and that the right persons in other departments are consulted as required, for instance, that the opinion of the legal department or of the public relations officer has been secured if needed.

So far as possible, he should not sign mail with his own name unless he has personally reviewed it. Organization morale is fostered when the person who does the work assumes the responsibility, at least by having his initials appear. For the effect on the public, however, the sets of initials should be few.

The busy officer can save himself much time by having material he must handle personally prepared for him either by an understudy or by his secretary; or by his merely indicating the general lines along which he wants it written. Details can then be worked out by others.

DELEGATING TO UNDERSTUDIES

In other chapters the development of subordinates has been stressed from the point of view of cultivating leadership and bringing out the capacities of those in all ranks. Delegation is also important from the point of view of the junior administrator, so that he may be sufficiently relieved of the pressure on his time and thought. Every aspect of

his own work should if possible be understudied for the sake of the organization. For his own sake he should be permanently relieved of some of his many duties by competent assistants.

His key men are usually his senior supervisors and leading technical experts. Each of these should have well-defined duties. In addition, he may have one or more general assistants or staff assistants as described in Chapter XII. Next to these in importance is his own secretary, who if she does her job as she should is an invaluable aid to him.

THE OFFICER'S SECRETARY

A really competent secretary can add greatly to the junior administrator's effectiveness in dealing with people and with problems. It is well known that a private secretary to a senior officer is a person of consequence, but less well recognized is her importance to the junior officer. He should assume the direct responsibility for securing a secretary acceptable to himself. Preferably, she should be drawn from those who have made good at minor secretarial posts.

Some companies have a regular promotion system for good secretarial candidates. The best stenographers are chosen throughout the company by rating procedures for advancement to positions where a minor part of their duties will be secretarial. Those who make good as senior stenographers or minor secretaries to division heads or to less important junior officers are candidates for true secretarial posts. If this plan for promotion is followed, the junior administrator should have several well-qualified women to select from. Usually one of these will meet with his approval, but if not he should be free to choose some other person in the company or to go outside the company. Sometimes, however, there is no regular means of securing secretarial candidates. It may be the practice for the officer to choose a stenographer from the department. Sometimes this practice works out well, often it does not, for in a secretarial job the personality qualifications and intelligence in

dealing with persons is far more important than knowledge of the work of the department—something which can be moderately well acquired in a few months. Moreover, a secretarial position is usually one of the best in the office which is open to women, and should if possible be a reward for outstanding accomplishment. Jealousy is bound to arise if a girl is chosen over the heads of others with longer service and better records.

A junior administrator had a capable secretary who was chosen to become secretary to a senior officer. It was the custom for the officer to select a girl from within the department. At the time there was no really seasoned stenographer in the department, but he chose one of the young women. Her youth and shyness caused difficulty to her and to him. A number of capable women in other departments greatly resented her promotion, since they with one accord felt that the proved competence of an older girl should have been rewarded. The company custom of promotion from within the department should have been changed to permit promotion from more deserving persons elsewhere in the company.

"I have to have a new secretary when Miss Alexander retires next month," said a junior administrator. "Three girls seem about equally good. The two with the longest service records I just don't like. The third I do. Should I take the oldest, just because she has been here a few months longer? And if I don't, won't everybody be sore?"

"If it were my fix," said his friend, "I would take the one I want. But I would call in the other two, and tell them I knew they might wonder why I had not chosen one of them. I had nothing against them, but I merely felt I could work more easily with the one appointed. I would be glad to bear them in mind, and consider them for a promotion when a vacancy occurs. Then they would know where they stand. If you pick a girl you don't like, you won't get what you need. If you don't tell the two not selected why, you will have two disgruntled and unhappy members of the staff, who will tell their woes all over the company. If you are honest with them, they will respect you."

The advice was followed, and the new appointment went smoothly. The other girls saw the point, and felt they had been fairly treated.

Some companies have a definite policy of trying out promising girls as substitute secretaries during vacation periods. A girl may have an opportunity thus to serve sev-

eral men in the course of the year. When a vacancy occurs something is known of her actual performance at the better job.

One quiet and unassuming girl was highly thought of by her division head, but she had no reputation outside her division. He recommended her as secretarial material. Several other girls were promoted first. Then she was tried out as substitute in the summer. Several persons were so well pleased with her that the next vacancy was hers without question.

The properly qualified secretary must of course be good at stenography, unless her chief uses a dictating machine. She should be mentally quick, but more than that, truly intelligent, so that she understands the implications of what she is told. Since her chief often works overtime she must be willing to work long hours and must not punch a time clock when the office technically closes. She should have good health and energy so that she will seldom be absent or need special consideration. She should appear obliging, not only to her chief but also to those with whom she comes in contact. Since she will often have confidential knowledge, she must be the soul of discretion and refrain from gossip. She should be tactful in all her relations.

Personality plays an important role, particularly that subtle element called a "good presence." If she sees mainly persons inside the company the confidence which she inspires by her presence can be built up in the course of time. A girl who appears shy and diffident may be a good secretary if she is acceptable to her chief and if there are few outside contacts, but to be satisfactory she must have a quiet force beneath her shyness or she will not succeed in protecting her chief.

If the chief has many callers from the outside, she should have that stronger and more impressive aspect of personality which immediately reaches out and welcomes the stranger and engenders in him an ease and a confidence that she will do all in her power to help him to fulfill the purpose of his visit.

She should be not only courteous but cordial, revealing a genuine interest in people which shows in a friendly demeanor. She should never be fresh nor over-friendly. Being too friendly is just as bad as being forbidding or cold. Gossip and lack of discretion are unforgivable. Curiosity and inquisitiveness about people's affairs are resented. A nervous person or one easily rattled or excited is not fitted unless she can maintain a calm exterior.

The secretary's appearance should be pleasing though not necessarily striking. The dress of outstanding secretaries is always in good taste, never flashy; but varies from a simple suit or plain, neat dark gown to clothes of considerable elegance. She should never look overdressed nor in too extreme a style. A well-groomed appearance goes with personal efficiency; clothes suitable to the personality and to the occasion aid in making a good impression. Girls who look extravagant in their dress do not give the idea of being really interested in their work, and they antagonize the other women in the office who cannot afford to show off. The good secretary should put aside her wish to impress people personally, but cultivate the art of creating a friendly and businesslike environment.

Any assumption of *personal* power is annoying to others. The good secretary is not supposed to pass upon the ideas of others. She is outwardly merely a connecting link with the chief, but an active one who can transmit a story or a message with interpretation. She should therefore not arrogate power to herself, but quietly and unassumingly do what the situation requires. This type of inner force inspires the confidence of others. Where she exercises or appears to exercise personal power, she loses her usefulness in large measure. Even if she maintains the confidence of her chief she alienates others. This is especially true when she is suspected of keeping some people from seeing the chief for reasons best known to herself. She may then, however well-intentioned, become an enemy to the morale of the department.

Once the right girl is selected, the junior administrator should take pains to train her. He should give her rather explicit directions, especially at first, and help her cultivate a sense of what is fitting. A little praise for what she does well goes far toward easing the way for constructive criticism of what she does badly.

The officer should teach her whom he wants to see and whom he should see so that she can discriminate in her handling of people. One of her chief duties is to protect the chief from interruptions and from waste of time. She can frequently facilitate matters by carrying messages and securing his consideration quickly on matters he must act on. She can handle the chronic time-wasters by allotting them only a definite space of time between other appointments. When a member of the rank and file seeks an interview she should be especially tactful, since the individual may have spent long thought on the subject and may be diffident about approaching the chief at all. The doctrine of the "open door" can be carried out only by the careful cooperation of the secretary.

In her dealings with people she should combine a personal interest in the person talking with her along with an impersonal view of the situation. She should get across the idea that she really wants to do what she can for the individual and will try to help him get in to the chief or otherwise accomplish his object. Since it is her duty to protect her chief she should not have an apologetic air about his keeping people waiting or not seeing them. She should intimate that she is genuinely sorry if they are inconvenienced and so is the chief; but circumstances are quite beyond their control. If she knows there is to be a delay she should not underestimate the time.

She should find out what the visitor wants without seeming personally inquisitive. "If you will tell me the subject of your interview, I shall be in a better position to make an appointment for you." She can find out how long a time will be needed and seek to meet the convenience of the

visitor. She can also help greatly by getting the gist accurately, and by giving to her chief in advance of the interview a summary of what she has found out which will enable him quickly to get the visitor to the point.

When she knows the chief does not wish to see a person or does not have the time to spend, she should as skilfully as possible deflect the visitor. For instance, she may say, "Mr. Sutter is very busy this week. I am quite sure he would turn you over to Mr. Robertson who always handles these matters. May I call Mr. Robertson, tell him you are here, and see if he cannot talk to you right away?"

Where it is unwise to keep the person out altogether, she may be able to say, "Mr. Sutter has an engagement at eleven o'clock, but if ten minutes would be sufficient I think he could see you just before that."

In trying to get rid of salesmen seeking to see her chief on company business, she should always remember that her own company is dependent on sales and should think of the public-relations aspect of keeping him out. When she is sure the company is not interested, she may be able to persuade the salesman his efforts would be useless or she may hear his arguments and say she will report on them to the chief and let him know.

What the secretary must do is well summed up in the orders of one chief, "You say Mr. Jones is here? Well, tell him to go to hell—but don't antagonize him!"

She should study the art of a good telephone conversation, keeping the talk brief but unhurried. Her voice must carry her genuine interest in the caller. Some persons who make a good impression in person need to cultivate a satisfactory telephone voice and manner.

Often it is necessary for the secretary to interrupt an interview with the chief to give him a message, to get him to sign a paper, or for other reasons. She should learn to do so unobtrusively, entering quietly. When the chief looks over at her she should make a brief apology to both, but

with the assumption that the interruption is necessary. A message may be delivered on a slip of paper.

The secretary picks up much information in the course of her duties and should cultivate the habit of understanding what is going on, especially in the hearts and minds of individuals. She must herself refrain from gossip. She will hear much, however, if she can give the impression of being frank but discreet. If she is a good listener and has a sympathetic ear she needs to say but little in reply. However, people will talk frankly with her only if she is careful not to "let them down" by passing on confidences or by telling things to the wrong people or in an untactful way.

There is much which she should pass on to the chief, especially about the rank and file who seldom have direct contacts with him. If she knows there are unadjusted grievances or attitudes of tension and friction, she should seek to bring them to him in due course.

"I know that my chief should know more of what is going on," said a secretary. "I don't want to seem to carry tales. Yet I know the morale in one of the divisions is terrible."

It is up to her to find a good way to bring things to his attention. The wise chief will help her to do so. Sometimes she may need considerable courage.

She should understand the human relations between different persons. Often there are difficult situations where she should protect her chief.

Mr. Lewis was much disturbed over a matter that had gone wrong. "I am going to Mr. Smith's office," he told his secretary, "and I hope he can give me some good advice. Meanwhile, keep the matter confidential, until I decide what to do."

He slipped into his colleague's office and they discussed the difficulty. While he was there, the very person who had caused the trouble telephoned and the secretary said he was with Mr. Smith. Mr. Lewis commented later, "Miss Holman should not have said where I was! I told her the matter was confidential, and here she spills the beans by letting him know that I was talking to you. He will suspect the worst, of course. It is so annoying to have her let me down this way, and just aggravate a difficult

situation. She should have told him she would locate me and have me call him back."

A secretary should be as loyal as possible to her chief. Of course if there were a choice between her loyalty to him and to the organization as a whole, she should choose the latter unflinching. However, she should let no other person interfere.

"A fine thing about Mr. Remarque's secretary is her loyalty," commented an onlooker. "You know, she used to be secretary to his junior officer, but she was promoted. We wondered how it would work out, for the two men do not always see eye to eye, and she was devoted to her former boss. Like a sensible girl, she decided to have nothing to do with any feeling between them, but to give everything she could to her new boss. She does, too. Sometimes she even can put things to him in a new light, because she understands the other man so well. But she never plays politics, and everybody knows she is loyal to her chief."

Keeping the chief informed means also keeping his material in such shape that it can readily be found. She may make a real contribution by knowing also what is relevant to the problem in hand and bringing material to his attention. She should have a subject file, carefully cross-indexed, to carry his notes and other related information on projects. A tickler file to bring matters to his attention on the proper date is a great aid.

A secretary may be of assistance by putting his letters, memoranda, or speeches in the desired shape. Especially if he has trouble in speaking or writing correct English, he should ask his secretary to remind him of slips.

Using correct English is sometimes exceedingly important. The author has known several instances where men of intermediate position have been turned down for senior administrative posts because of carelessness of speech, such as "it don't"; yet senior administrators or colleagues either have been embarrassed to speak of such slips or have thought mature men could not restrain themselves to speak more correctly.

Certain types of men require particular things from their

secretaries. Some, for instance, demand sympathy when things go wrong. Others want a serenity which seems unruffled by office happenings. A secretary should have a temperament which the chief finds easy to deal with. Some people of excellent abilities and characters simply do not "click." The junior administrator should do all he can to secure a secretary who is personally acceptable. If he does not like her and trust her, and even more if he does not readily get on with her, her usefulness is limited. A good stenographer can take dictation but a secretary is his principal protection against interruptions and his main help in keeping things in order, both in his office and in his orderly relations with his department and the company and the outside.

Temperamental incompatibilities may even interfere with the smooth flow of a man's dictation. A seasoned man who had had many stenographers of all sorts says there have been two to whom he can hardly manage to dictate. Both are excellent stenographers, and would seem merely like perfect machines if it were not for some hidden criticality of manner. He said he would prefer almost any other kind of stenographer to one who gives a negative or critical impression.

HANDLING VISITORS

Some junior administrators are obliged by the nature of their jobs to receive many callers. These may be the company's own representatives and customers, as well as salesmen from other concerns and persons interested in community projects, joint research, trade-association activity, and many other things. The most successful executives in numerous cases are easy to see, but they have acquired the art of keeping interviews brief.

The skilful interviewer receives his guest in a spirit of friendly welcome and lays aside all other preoccupations. The atmosphere for an interview is tainted when the caller perceives that the host is physically present but that his attention is still on other things. The officer should set the visitor at ease. He can save time as well as create a pleasant impression when he establishes a common bond or refers

to an old one immediately. He should give the impression of having plenty of time, no matter how busy he is. He can, however, cut through the usual chitchat by asking as soon as the greetings are over and the visitor comfortably seated, "What is on your mind?" or some similar question. He can make a practice of seeking to get the visitor's story or objective outlined promptly. The skilled interviewer trains himself to bring the conversation to the point and keep it there. Nevertheless he allows the other to do the talking without making interruptions or lengthy remarks. The good listener asks a few leading questions, gives undivided attention, interrupts but seldom, and makes occasional brief comments. If the visitor wanders from the subject a tactful remark can bring it back, such as, "I was interested in what you were saying about . . . Won't you develop that further?" When the time for his own reaction comes, he should speak briefly and tactfully. He can then sum up the points of agreement or disagreement, giving a balanced judgment which is hard to argue about. When he thinks that the interview should terminate, he can close it off by standing. A decisive comment, such as "I am glad you came," or "I will think that over and let you know if I have any further thoughts," will generally get rid of even a talkative caller. If the tactics do not succeed, he can move by degrees toward the door and open it, or give other indications that the talk is at an end. Or he can say politely but firmly, "I am sorry not to talk longer, but it is time now for my next appointment."

Various devices may be resorted to in order to curtail visits. A common practice is to make the visitor face the light. He may even be placed in a chair with the front legs sawed a little shorter than the back so that he slides forward! However, the attitude of mind of the interviewer is the dominant factor. If he truly devotes his attention to the caller for even a brief time, listens closely, gives a definite reaction, and then decisively shows he has finished, the caller will leave feeling that he has been well received and heard.

Usually when a visitor hangs on and on there is an indecision in the interviewer's own mind as to whether or not he should put the guest out. A quiet resolution, a regard for the other's feelings, and a comment about the reason why one must terminate the interview generally suffice. The officer, however, who has trouble getting rid of persons can arrange for a signal to his secretary.

One executive had to receive many salesmen of a certain type. He put his telephone under his desk. He listened politely to get a reasonable exposition of what each individual had to offer. If the visitor lingered, he would raise the receiver up and down with his foot. The operator, knowing the cue, would ring him and say a few words. "Thank you very much. I will come right up." Then, expressing his regret at cutting short the interview, he would explain that he must leave his office immediately.

CONTROL OF ACTIVITIES OF THE DEPARTMENT

To insure the prompt and effective conduct of the work committed to his charge, the officer should have periodic reports from his subordinates on the performance of their work, with figures giving speed, accuracy, and cost. Any falling down in the work is thus brought to his attention. Such performance reports are further described in Chapter XII. He should also check the performance of his department by securing reports from the controller, from the planning division investigators, and the auditors.

All complaints affecting his department should be brought to him. He should go into them with his subordinates.

In addition to what is drawn to his attention as a matter of procedure or by special act of his subordinates, he should scrutinize the activities of the department personally from time to time. The wise administrator delegates much detail to his subordinates, but he cross-checks at intervals to see that it is properly handled. He should ask questions of his subordinates to satisfy himself that the work is proceeding appropriately. He should keep his eyes and ears open for unsuspected difficulties, and maintain contacts with his colleagues which facilitate their bringing to his attention any

failings of his department in interdepartmental transactions. He should also make many direct contacts with the staff and look around at the department. He can secure insight into the actual work done by looking over completed transactions now and then. A good way to judge the effectiveness of the department is to call for an extra carbon copy of every letter written for a week and to review the carbons.

The author in examining the work of a department where many letters are written asks for an extra carbon copy of every individually dictated letter, arranged by dictator. Form letters and other forms are counted and enumerated by kind. The author then goes over the dictated letters and separates off the following types: questionable judgment or presentation; handling of complaints; evidence of bad flow of work; bad English or awkward or hackneyed style; dictated letters where a form letter is already provided; dictated letters which could be handled by form letter or memorandum.

Inadequacies should be dealt with tactfully with the persons concerned. His manner of doing so should be varied according to circumstances and the individuals affected. An officer's censure should be made with care; his praise should be liberal but always based on facts rather than fancies. Destructive criticism should be avoided. Negative developments should be dealt with constructively.

CONSTRUCTIVE ACTIVITY

The junior administrator is so busy with directing the work and more especially with the many contacts which he must make during the day that work for the future is apt to be swamped in the activities dealing with the present. Yet intelligent foresight is one of the prime requirements of a company leader. He should anticipate the future volume of work, the future demands for trained personnel, the long-range trends for his department, and the probable developments in departments outside his jurisdiction which will affect his. Particularly, he should be willing at all times to subordinate the interests of his own departments to those of the company as a whole.

Many officers take home material really requiring study and do their constructive work at night. Perhaps this is unavoidable. For the man who is really at his best in the late hours of the day the practice may be good. Others, however, probably do so because of the difficulty of finding consecutive and uninterrupted time at the office. If they are of the type who think best early in the day, they should avoid doing their most creative work at night or after office hours. Except for their superior's demands and truly unavoidable engagements, they should seek to make time at suitable hours when they can be uninterrupted. Once the habit is set, others will accept the statement that the officer is busy. Regular conference hours to tend to routine and other matters can provide the necessary time for contacts. Regular time for constructive work is just as important to the company.

The use of a dictating machine rather than stenographic assistance makes easier the fitting in of constructive and of routine work. The secretary though willing to work overtime should not be unduly imposed upon. A dictating machine can take memoranda just as well after five o'clock as before; and is available at any time for a constructive thought or for dictation interspersed with study. A machine can even be installed at home to relieve the pressure on the executive. A good secretary may at first think it beneath her dignity to learn to operate a transcribing machine. If the idea is put to her as a time-saver for both the chief and herself she is apt to accept the fact and learn the new technique. In addition, she may be relieved of the transcription or a part of it and thus be released for more important ways of aiding her chief.

"How do you like the transcribing machine now?" an officer's secretary was asked.

"Oh, I think it is fine," she answered. "The doctor suggested it because I was having trouble with my hand and was slow at stenography. Now I would hate to go back to dictation. My chief prefers it because he does not feel he is interrupting work which he has already laid down for me. Besides, he uses it at odd times. Last night he returned to the city early in the evening, stopped

at the office to see his mail, and dictated the answers at once. Had I known he was coming, I could have come in. As it was, he was not dependent on me."

OUTSIDE CONTACTS

Outside contacts are important to members of middle management. The junior administrator should belong to a good technical society along the line of his specialty. If possible he should attend meetings to broaden his own point of view and to have contacts with others in his line. Being away from the office may also give him a new perspective on his problems. As suggested previously, he should also see that some of his good subordinates have the opportunity to go. The proceedings of some of the societies contain interesting and suggestive ideas. The officer may wish to glance at these or may instead wish to have them digested by others but to have abstracts of particular points which might fit in with his own situation.

There are several general management societies where the administrator may pick up good ideas and form interesting associations. Their publications will also acquaint him with new developments in the field of management. The American Management Association is the largest of these. Its conferences and publications are timely and suggestive. The Society for the Advancement of Management, in addition to the Annual Conference, the Human Relations Conference and the Time and Motion Study Conference, has chapters in more than fifty cities throughout the country. In local and regional meetings and in roundtables, executives and management specialists have opportunity to exchange information and practices and to stimulate new thinking. The Management Section of the American Society for Mechanical Engineers provides further opportunities for contacts and thought. Specialized societies include the National Office Management Association, the National Association of Cost Accountants, and the American Society for Public Administration, all with local chapters; and

many others, such as the Life Office Management Association. Most of these organizations are federated in the National Management Council and the Comité Internationale d'Organisation Scientifique (the international committee for scientific management), which holds the triennial International Scientific Management Congress.

The officer may also engage in civic affairs. The public-relations policy of the company may definitely encourage membership in the Chamber of Commerce, service clubs, and so forth. Aside from company interests, however, he may wish to do his part in the community and may have some special interest, such as his church, the community fund, philanthropic and political organizations, and other civic enterprises. In all these outside undertakings, however, he should remember that his prestige as an officer of a business concern may be used. He should be most careful to emphasize that his views are personal and in no way commit the company, unless express action has been taken. He should not gossip outside about company affairs or persons, but should attempt to build up public good will according to his opportunities.

The officer should avoid letting outside interests and activities cut into his business day. His subordinates will be justly indignant if they frequently find it difficult to see him on company business because he is occupied with other affairs. It is fairly customary for him to spend some time during the office hours on outside telephone calls and visitors, however, when he himself works overtime on company business. There is usually no objection to having his secretary aid him to a limited extent on outside matters. He should subject neither himself nor his company to censure by letting his personal interests interfere with business.

Hobbies and special interests occupy an increasing position in American life. The man who has several interesting side lines besides his business will probably be more efficient simply because he is leading a balanced life. People who put business not only first but last and all the time may lack

freshness and may ultimately run into a nervous breakdown from undue absorption in one thing. The man who carries the load of the junior administrator, however, should be careful not to overtax himself by too many outside things, especially activities, social or otherwise, which prevent him from getting sufficient sleep.

The family of a junior administrator frequently pays a high price for his business success, since he usually works long hours and is likely to come home with problems still on his mind. Business is not and should not be his whole world. A due mean should be observed between devotion to his business career and the requirements of a normal man with family responsibilities and social interests.

The junior administrator must get inspiration outside as well as inside his business environment. He must get in order to give. To be a leader of men he must have not only rest for his body and interest for his mind but nourishment for his spirit. The junior administrator who wishes to continue to be an inspiration to his subordinates and a leader in the organization should study his own life to see that he himself gets the inspiration he needs to sustain his work. Individuals have their particular ways of renewing their energies. Some receive inspiration through religion, others through music or art; some through family and other companionships; some through contacts with stimulating persons and groups; some through hours of roaming in nature, others through great literature. Whatever the avenue, the result is the same: the great leader sustains his own nature by drawing sufficient nourishment from his environment.

CHAPTER XII

THE MEANS OF COORDINATION

THE integration of all the functions of a business into one harmonious whole is the dominant administrative problem of internal operation. "Coordination," as quoted previously, "is the orderly arrangement of group effort, to provide unity of action in the pursuit of a common purpose." Coordination extends through policy making and execution to control of the results and affects every function of the business.

To be effective, coordination must unify the efforts both vertically and horizontally. The vertical series of relationships from the top downward is far stronger in the typical organization than are the horizontal or crosswise relationships. Through the centuries people have been trained to respect the orders and wishes of their superiors, while the leaders are usually aware of the value of giving precise directions for securing what they want. Thus the line of authority and responsibility stretching downward from the top has been efficient in transmitting policies, decisions, and directions down that line. Even so, the lengthening of the line due to the growth of an organization makes difficulties in the interpretation of orders, and the increasing complexity due to technical requirements has multiplied the detail which must be correlated. Therefore every administrator must take into account the specialists working under him, and also to an increasing extent the specialists working under somebody else in some other wing of the business. Moreover, since many activities concern more than one department the crosswise relationships among line executives in different

parts of the business are becoming continually more important.

The responsibility for coordination rests particularly upon top and middle management. The senior officers are often sufficiently removed from day-to-day activities that they may take well-coordinated functioning somewhat for granted. Middle management is vitally concerned in the coordinative problems, since its members occupy just that middle position between their superiors and subordinates. They often share in the difficulties of their superiors in arriving at decisions and they necessarily take part in the efforts of their subordinates to carry out policies. They transmit orders, decisions, and guidance downward; they also take problems, difficulties, and suggestions upward. The lines of communication meet in them. Just as the senior officers see, hear, and analyze problems outside the scope of internal administration, so do the junior administrators see, hear, and in the main deal with the problems vital to internal operation. Middle management has not recognized its position or its responsibility sufficiently. But the great importance of the middle position is increasingly apparent and will certainly be more recognized in the future.

One reason why the members of middle management do not see the development in which they are taking part is because they still view themselves as the more or less personal representatives of their chiefs. It is to be expected in future that they will take a more impersonal view. Although their loyalty to the chiefs will remain just as great they will feel increasingly their loyalty to their subordinates, to their colleagues, and to the organization as a whole, just as a child feels first his relations with his parents and later those with other members of the family. They will turn more and more to each other for counsel and consultation, for the comparison of aims, methods, and results. They will also utilize the technical and advisory services of the entire organization, whether these happen to be located structurally in their own department or somewhere else. From year to

year they will learn increasingly that the price of efficiency is cooperation among functions, and they will give their cooperation the more gladly because it is becoming a matter of necessity as well as of courtesy and good sense.

As pointed out in Chapter II, the problem of coordination is closely tied in with the development of generalists, namely, men who take a broad and general view of all the factors concerned in a given activity or problem. Specialization has diminished the number of men with a broad view while increasing the number of specialists whose views must be integrated in a given decision and who must cooperate in carrying that out in their own field. Specialists themselves will take a broader view if they have opportunity to do so. Breadth of view and of understanding have been stressed throughout this book, so that junior administrators will make the necessary effort to take a general view themselves and to influence those in their charge to do likewise. The very set-up of work should be determined to some degree by the influence different forms of divisionalization may have on the supervisors and on the staff.

The biggest single factor is the attitude of the junior administrator himself. If he himself acts from broad considerations, if he consults others, and if he encourages his men to look at the general picture and to consider the effect of what they do on other parts of the organization, if he explains the broader angles, and if he increases their understanding in their dealings with him, they will largely reflect his own attitude. Particularly he can train his leading assistants in this broad view, at least where the work of his own department is concerned and where it affects other departments.

The transfer of good men from one department to another, as mentioned before, is one of the best ways of building up coordination by understanding. Their own experience is broadened, and their ability to see things in relation to the company as a whole is enormously increased.

A contemplated change brought up some important questions. Investigators were getting the views of a number of supervisors in several affected divisions. One of these supervisors said, "Of course this really brings up the question of whether our division should continue to handle this work at all. I really think that sooner or later my own section should be transferred to the central division, leaving only a few clerks here to handle technical questions." The investigators had in mind just such a development, but were much surprised to hear the supervisor advocate it. Later a supervisor in another department said, "The logical thing in my opinion is to put my part of this work in Department ——. Of course, that would disrupt my division, and I don't know what will happen to me. However, what is the best for the company should be done, and I am not worried, since I am sure I shall have an opportunity somewhere."

It is seldom indeed that men of intermediate rank have the courage, as in the illustration just given, to suggest tearing up the work which they direct and to take the risk of themselves being put under the charge of other departments. These men in two different jurisdictions independently showed their willingness to do so. Transfer for training had borne fruit in the minds and conduct of those concerned. It is significant that they felt that they were safe. These men feared neither loss of employment nor of opportunity. They had confidence both that the management would play fair with them and that they themselves could make good on another task.

Getting people to put the good of the company above the good of the department can be done in practice only by a gradual building of mutual confidence. As long as this confidence is lacking, people will think that *they* are the best ones to do the work effectively and allow their own prestige to become bound up with the performance of this or that particular activity. Once they begin to see themselves as an actual part of a working whole, they no longer defend their own prestige with such vigor but devote their energies to useful purposes. The man who is big enough to see that his work can be done more efficiently elsewhere is also big enough to be moved, and very likely also to learn new work if required. The bonds which hold a man to the customs and

habits of the past are cut, and he is free to work for the future, not only for himself but for all those with whom he comes into contact.

STAFF ASSISTANTS¹

Although communications operate through the line officers, limitation of time prevents the line from gathering and disseminating information and participating in all the varied tasks of coordination to the extent needed to integrate the activities and thoughts of interested parties. Most administrators bear a huge load without time to carry out many of the things they think they should do. If the chiefs could be relieved of some of the incidental work they would be far freer to scrutinize performance; to discern what is happening, both favorable and otherwise; to make informal contacts which would indicate to them the tempo of the organization; to stimulate, restrain, and develop men; and to exercise their positive and vital functions of leadership. More time could be spent on the future if less were needed for present exigencies.

One of the most significant possibilities for coordination is the development of "staff assistants." The staff assistant is a general man who helps the officer directly and personally in the performance of any or all of his duties. He is distinguishable from the line man who does executive work under the chief for a definite division, and from men with advisory functions who give advice or service to others based on their specialized knowledge or skill.

"Staff" in the phrase "staff assistant" is closely related to the word "staff" as used in the army term, "general staff," in that it designates persons who share some of the responsibilities of the chief and who may take certain action upon his authority. The word "staff" has been variously used by writers on business organization. It is used in the army to

¹ The material in this section is taken from an article by Henry E. Niles and M. C. H. Niles, "Assistance in Coordination," *Personnel*, Vol. 15, No. 1, August, 1938, published by the American Management Association.

Special acknowledgment is made to the writings of Major L. Urwick.

denote three rather different meanings: the "general staff"; the "technical, advisory and administrative staff," which is concerned with the provision of specialized services; and the "personal staff," which pays attention to the personal comfort of the chief. In business the employees are often called the "staff." Often those exercising advisory or "permeating" functions are also termed "staff men." The meaning behind the words should be considered in comparing different organizations. The terminology of management is in an unsatisfactory condition, since the same word represents a different meaning to various writers.

The staff assistant relieves his chief of many tasks, thus increasing the latter's effectiveness and freeing his time for other things. He is available for the tasks of coordination which may become his chief obligation. He receives valuable training as a general man.

The staff assistant helps directly in the work of his chief. His rank should be junior to the officer's leading line assistants. He serves as far as possible as an extension of the officer's own self. As an extension of the officer's mind, he digests information, weighs evidence, and prepares conclusions. After the officer has decided on a course of action, he prepares the details by which it will be carried out and sees that the proper parties are informed in the officer's name. As an extension of the officer's eyes and ears, he observes what is going on and reports relevant information to his officer. He makes contacts on behalf of the officer, saving the latter from waste of time and interruptions and smoothing out the minor situations calling for adjustment.

The staff assistant to an officer in charge of several divisions occupies a rank subordinate to that of the division heads. He is about on a level with the section heads (assuming that the divisions were made up of several sections each), and he might previously have been in charge of a section. After some time as a staff assistant he might be put in charge of a division or sent back as head of a section if he did not develop rapidly enough. As staff assistant he

works for the officer, preparing written instructions to execute the details of the officer's decisions, investigating proposed changes and their effect upon each of the officer's departments, tracing causes of complaints and errors, meeting people in his officer's stead, and performing many other duties listed later. He thus acquires a general knowledge of the functions of each division and assists materially in the coordination of the work.

In one company which did not formally recognize staff assistants, an officer in charge of several divisions was competently assisted by a former assistant division head. He dealt tactfully with division heads; he conveyed the views of his superior; he worked out details by mutual agreement, once the general principles had been established. In many ways he represented his officer to the division and section heads and to the employees, and in turn represented them to the officer.

Similar men relieve officers in other companies. Recognition of the position of such men would make even more valuable their contribution to the organization, since under present conditions they have to lean over backward in order not to abuse the informal power which they hold. Regularizing their position would lead their officers, themselves, and those with whom they make contacts to recognize the importance of the tasks of correlation, investigation, and so forth which they perform. More often there are men who serve their officers better in the planning function (dealing with work) than in personnel lines. The necessity of additional channels for making personal contacts is greater even than the need of relief in organizing work.

The position of "administrative assistant" has become common in government where it became a necessity because of the need for coordination in organizations of large size. This development bears out the discussion based on experience in private industry.

The private secretary may attempt to perform duties suggested for a staff assistant. Often she is handicapped

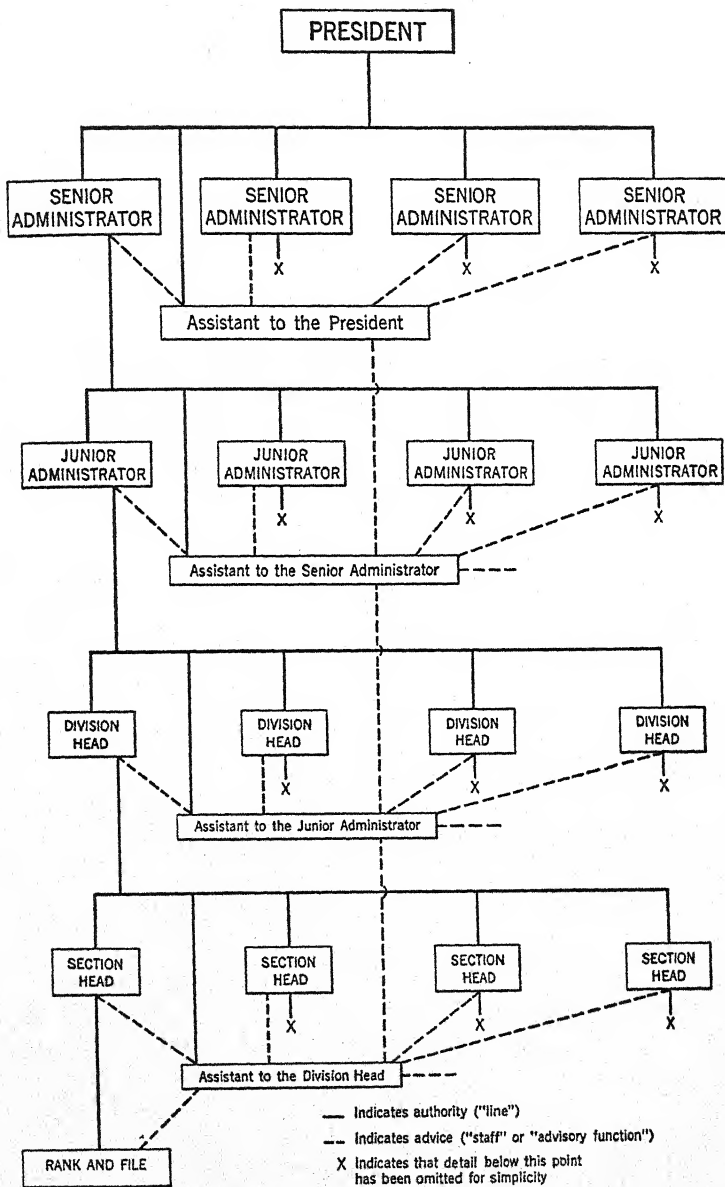


Figure 5.—STAFF ASSISTANTS AND THEIR RELATIONSHIPS

by lack of experience in the business or by resentment among the officer's subordinates because they think his secretary is trying to run him and them.

The system of staff assistants works best when it is practiced throughout a company as shown in Figure 5. It has generally been introduced, however, by one senior or junior administrative officer who has seen the possibilities. When the system is used throughout the organization, the highest rank of staff assistant is the assistant to the president. He would often sit in with the president, general vice president, and the administrative officers who would form a kind of executive council. The assistant to the president would therefore secure firsthand insight into the major problems occupying the mind of his chief.

Each senior administrative officer would also have an assistant, possibly with a small staff, to take part in integrating all the work coming under that officer. The group of assistants to the senior officers would cooperate upward and downward with the assistants of other levels, and crosswise with assistants on the same level and with permeating-function divisions such as personnel. Since their time would be less valuable than that of their chiefs, they would do much to relieve pressure on the chiefs and to secure coordination at all points. Each staff assistant would have informal relations with the staff assistants in higher levels up to the assistant to the president.

Some of the functions which a staff assistant to an officer can perform for his chief are listed on the following pages. Staff assistants for those of lower rank naturally are limited in their field of activity. Following this list are mentioned some things which should ordinarily be avoided by staff assistants.

What the Staff Assistant May Do

I. Prepare information and recommendations

1. Compile pertinent information for the chief
2. Make recommendations for action
 - a. Conduct personal study and investigation

- b. Report on specific plans
- c. Help formulate general plans
- 3. Go over proposals of others
 - a. Digest proposals, requesting additional facts or explanation if required
 - b. Bear in mind the technical relations involved in a policy
 - c. Bear in mind the human relations involved
 - d. Bear in mind the long-range effects of a policy
 - e. See that the views of all parties concerned in a policy are obtained
 - f. Help pull together the contributions of the various parties concerned
- 4. Study results obtained
 - a. Recognize good policies and practices developed at one point and make the knowledge available at other interested points
 - b. See that information on operating results (e.g., control and statistical reports) gives a reasonably complete and accurate picture of what is being accomplished
 - c. Analyze the operating results as reflected in regular and special reports or studies

II. *Aid in Instructions and Decisions*

- 1. Issue instructions for the chief
 - a. Transmit the chief's orders, verbal or written
 - b. Embody chief's decisions in proper form
 - c. Work out the details in consultation with all concerned
 - d. Formulate subsidiary instructions
 - e. See that instructions are practicable
 - f. Issue orders in the chief's name when he has approved the principle involved
 - g. See that the proper individuals are informed of decisions
 - h. See that plans are correctly interpreted and understood at their destinations
 - i. See that plans are effectuated
- 2. Make certain types of decisions
 - a. Make decisions on matters delegated by the chief (often affirmative decisions can be made by a subordinate when negative decisions should have the chief's direct action)
 - b. Make minor decisions in accordance with the chief's views

- c. Make decisions for the chief when the latter is absent, if certain of his attitude in the matter

III. Aid in contacts

1. See people for the chief
 - a. Expand the chief's contacts by meeting people for him—get their story, thus saving the chief's time
 - b. Tell people what the chief thinks and what he would say
 - c. Informally spread the views of the chief
 - d. Clarify and explain any necessary points
2. Save the chief's time
 - a. Act for the chief or refer matters to others when he is busy or absent
 - b. Make arrangements for him and dispose of detail
 - c. Protect him from unnecessary contacts and interruptions
3. Arrange for chief to see the people he really should see
4. Observe what goes on and report to the chief
 - a. Observe and interpret the reactions of the organization to programs, policies, etc.
 - b. Transmit the "feel" or temper of different groups to the chief
5. Clear up grievances and annoyances or see that they are adjusted by others
6. See that information is circulated
 - a. See that information in proper form and quantity (neither too much nor too little) goes to interested parties
 - b. See that ideas and suggestions are gathered from down the line and that credit is given where due
7. Coordinate activities on the same level and on levels below and above, in cooperation with other staff assistants, advisory men and line men—maintain adequate liaison

What the Staff Assistant Should Avoid (Except in Special Circumstances)

1. Taking over line duties

To do so adds one more to the number of line men whose work must be coordinated, and interferes with the staff assistant's primary function.
2. Acting as a specialist in a particular function

The need is for a "generalist" who can aid the chief in over-all coordination (He may, of course, be developed from a specialist, and he may be promoted into a specialist's position. But the position of staff assistant is quite different from that of a staff specialist.)

His task is synthetic rather than investigational, although he may at times investigate situations or problems personally.

4. Assuming a purely advisory position
If the staff assistant cannot act, he does not relieve his chief enough.
5. Exercising personal authority over his chief's immediate subordinate line men
He should make his opinions prevail by sound reasoning and tactful presentation and, if authority is needed in rare cases, by the authority of his chief.
6. Permitting his personal views to determine his decisions when they differ from those of his chief
He may present his personal opinions to his chief, but he must act according to his chief's views.
7. Exceeding his assignment
He should be certain that he stays within the limits of what the chief wishes done, that what he says is authoritative and, if followed, will not subject anyone to censure.
8. Gossiping or divulging confidential information
His value to his chief will be determined largely by his discretion and tact.

As indicated in the outline of duties, the staff assistant should possess authority to *act in the name of his chief*. However, his rank should be junior to the chief's line assistants. Urwick declares:

Undoubtedly the greatest practical difficulty in introducing the "staff" concept into business life will be found to centre round the custom of assuming that function determines status. Because hitherto the practical work of coordination has always been regarded as a function of command, a function of superior status, subordinates flame with resentment when a principal endeavours to delegate any part of that work to someone who is their inferior in status. They fail to appreciate that the donkey work of preparing and issuing detailed instructions following on broad decisions, of adjusting minor difficulties between specialists and "line," does not of itself confer such superior status provided the principal retains the authority and responsibility. Even quite humble members of the hierarchy may be allowed a large measure of initiative in issuing orders on everyday matters, provided it is understood that the task of doing so does not elevate them or degrade those who receive the instructions.

L. Urwick, *Executive Decentralisation with Functional Co-ordination*, British Association for the Advancement of Science, Section F, Norwich Meeting, September 9, 1935, Note 18 of Appendix, page x.

The staff assistant does not himself occupy a rank and position which entitles him to tell others what to do, but he is the mouthpiece of the chief, acting in a manner of which the chief must approve. If he interprets the chief incorrectly, if he is tactless, if he abuses his position, the matter should and can be drawn to the chief's attention. Staff assistants must, however, school themselves not to exceed their instructions. Their effectiveness in assisting the chief will be directly proportional to their ability to discharge their duties with restraint. They should be men in whom the chief has personal confidence and whose character and attitude are such that they will not attempt to exercise power on their own account.

There are a few objections to the plan for staff assistants. First is the difficulty, mentioned by Urwick, of accustoming the line men to the idea of someone who is their junior aiding the chief in the development of plans and instructions. Second is the possibility of harm if the staff assistant is deficient in tact and discretion. Third is the salary cost which, however, would be saved through the relief of higher executives from detail and through the smoother functioning of the organization. Fourth, staff assistants themselves must be trained, even though they relieve pressure in other ways.

The advantages outweigh the limitations. The primary value is the aid which it gives to coordination by furnishing adequate channels of communication up, down, and sideways. Each staff assistant exchanges information in his contacts with those of superior, equal, and inferior rank. Instructions and policies are thus executed more effectively, and suggestions and complaints may be brought informally to the attention of the staff assistant to consider in the proper manner. Secondly, pressure on the higher executives is definitely lessened, and they thus have more time for constructive work.

Finally, the men on staff duty acquire a breadth of training which it is now difficult to provide in any other manner. For instance, a division or large section might usefully have

a staff assistant to aid the head and assistant head, who are thus freed of some detail and thus have more time to aid their own superiors and to receive further training. A man of no supervisory rank, of younger age and lower salary than the assistant head can prove valuable in helping to plan the work, investigate changes, prepare written instructions, revise forms, and so forth. He thus acquires a knowledge of the general work of the division (as opposed to any single job, however technical) and is trained to assist in coordination.

A man who is successful as staff assistant to his division head might be promoted to the position of staff assistant to an officer. He might then serve for a while in the planning division and thus broaden his knowledge of the company. He might also fit into a line position as a supervisor, or he might be appointed to another staff position in another part of the business. A man's capacity for constructive thought, for tactful contacts with people, and for leadership would be well tested in the intermediate staff positions. The most promising staff men would be in demand both for line and for senior staff positions.

The development of future executives can be furthered by the same means which relieve the present executives of detail and enable them to perform their major duties more efficiently.

COMMUNICATIONS, FORMAL AND INFORMAL

Good communications are essential to coordination. They are necessary upward, downward, and sideways through all the levels of authority and advice for the transmission, interpretation, and adoption of policies, for the sharing of knowledge and information, and for the more subtle needs of good morale and mutual understanding.

Transmission downward is generally better than transmission upward or sideways, but even the downward communication from top and middle management is often not sufficiently worked out, especially communication of an in-

formal nature. Policies and decisions are relayed down the line in orders and instructions and less formally through conference.

It is specially important that general policies be understood by those affected. For instance, the value of a written personnel policy has been appreciated increasingly in recent years. Companies have also paid far more attention to giving information to stockholders and to the public as part of an integrated public-relations policy.

Memoranda are of great value in distributing information and instruction. It is necessary to exercise care in the preparation and distribution of memos, however.

In any large organization it is unwise to circulate memos to those definitely not concerned, as the volume of irrelevant communications causes relevant ones to be buried.

"No, I never knew that was our policy," remarked the young head of a division to his colleague.

"But the memo went around a month ago, Tommy. You must have seen it!"

"Oh, yes, I get stacks of memos. I find that so few of them concern me that often I never look at them. If I am busy, I just initial them and pass them on."

It is of great importance, however, that those affected by a change should be properly notified.

"I certainly was embarrassed at my luncheon club today," remarked the head of the division issuing new insurance policies. "An agent of a competing company asked me about the provisions in our new insurance contract, and I did not even know we had one! Yet when I got back to my desk, there were several applications for it, and on inquiry, I found the new form of application has been in use for a week. Somebody just slipped up in telling me about it. I went to my chief, and he could not understand why I had not been called in by the Sales and Legal Departments on the preparation of the form."

Channels of communication upward, except immediate contact between a supervisor and his chief, are rudimentary if they exist at all. A junior administrator should exercise his best ingenuity to devise methods by which information and suggestions may reach him. Suggestion systems may help

but organized channels of communication through supervisors, specialists, and junior administrators are even more needed to sustain a rhythm of progress. The sources mentioned in Chapter VI in connection with morale will aid in the passing upward of valuable contributions on methods and even on company policies.

The "grapevine" is one of the best sources of information. In every office there is a well-developed underground telegraph system which carries with surprising rapidity—at a speed which beats Western Union—rumors and facts of all kinds and of all degrees of accuracy. Some executives ignore the existence of the grapevine and even seem not to know of it.

The author as consultant asked a client if the staff had been informed of her arrival and of the purpose of her work. "No, no one knows you are here except the officers and a few senior men. We will make an announcement today." Later it was discovered that persons in all parts of the building had heard the news a day or two before her arrival.

In one small town the rumor of the visit, which the management had not announced, was spread throughout the community, to the effect that about one-third of the force was to be discharged!

The alert administrator may wisely use the grapevine himself for spreading informally certain information and desired attitudes.

Robinson had been under fire. He told a friend in the organization that he would like to be transferred to certain other work with more opportunity, even though it might look like a demotion. The friend knew that the administrator had in mind just such a transfer. Promptly he took care to mention incidentally his talk with Robinson to a person known to be a receiving station for the underground telegraph. He wanted the news to get out right away, for he knew that an announcement of the change "at the request" of the person concerned would be met by a skeptical attitude on the part of the staff.

The planned "indiscretion" worked. When the announcement was made, colleagues and subordinates alike really believed Robinson desired the new position.

There are several more or less informal ways in which knowledge, experience, and attitude are shared sideways at

different levels. For the top management this is often accomplished by frequent meetings which may be like those of a cabinet. In some companies the junior administrators are included in this group. They may be consulted about the making of policy or at least they are given firsthand information as to decisions reached.

The executive dining room is an informal avenue of communication. In some companies where the officers have lunch together, all the senior officers may sit at the same table and other officers at other tables. Thus officers of equal rank get to know each other and hear each other's problems and views. In other companies senior and junior officers may lunch together.

In a company without luncheon facilities, the officers frequently ate together at a near-by restaurant. A few tables were reserved and thrown together. Sometimes supervisors joined the officers. These informal contacts did much to promote mutual understanding and interest. Conversation might or might not turn to office subjects.

Some companies have developed regular meetings of supervisors to talk over mutual problems. These may be voluntary associations getting together after hours under their own leadership or addressed by outside speakers, or they may be meetings called by the officers. Meetings of senior supervisors are especially common in the smaller companies, and often take on an executive as well as informatory character. They may be of great aid to the management in gaining the opinions of the supervisors on current problems and on contemplated changes. Even where ideas and reactions are not forthcoming, the meetings may be valuable in giving an esprit de corps.

The author in her consulting work usually held a series of discussion conferences with supervisors to take up problems of supervision, including the handling of people and of work. These conferences generally produce considerable thought on the part of men and women who may have spent little if any time thinking through their jobs as supervisors. Such groups consist of twenty to twenty-five persons drawn from different departments.

In one large company, it turned out that some of the supervisors had never talked with one another before, and did not even know

one another's names. As one supervisor remarked, "I think one of the main benefits of the discussions was getting to know people in other departments, and realizing that they had the same problems I had. Even when I did know them before, a better basis for cooperation has come about."

One large company has a "management group," composed of division and section heads and important specialists of corresponding rank. Several groups of fifteen or twenty persons meet once a week for an hour under their own chairmen. The chairmen meet together with an assistant to the vice president to prepare the agenda. Ideas for discussion may originate from the supervisors or from the higher management. Typed agenda are worked out by the chairmen and thoroughly discussed by them. After the group meetings, reports are presented which are again discussed by the chairmen and submitted upward through the assistant to the vice president. In this way there is an organized channel of communication between the top management and the supervisors. The point of view of the supervisors has been broadened, particularly on personnel and related matters, thought has been stimulated, and a regular means provided for passing upward the supervisors' views on general subjects.

Committee meetings for a specific or a general purpose have been mentioned in other chapters. These serve the end not only of handling the immediate problem on the agenda but of acquainting those concerned with different aspects of company problems.

The permeating functions, particularly those of personnel, planning, and control, have an important part in communication and coordination. The heads of these functions should be of middle-management or higher rank. The junior administrators should cooperate to the best of their ability in utilizing the resources of these three functions. The personnel division generally knows much of value about what the staff thinks. They hear of grievances, restlessness, irritation, and the stalemates in advancement or in

the acceptance of ideas. Similarly, the planning division knows much about the morale of the departments as well as about suggestions for change. The emergence of the function of control through systematic reports brings with it new possibilities for observation and for anticipating the future.

PERFORMANCE RECORDS AND CONTROL REPORTS

Many companies now have an organized system of control reports, often prepared in connection with a budget or a system of cost accounting. In these reports are gathered together and summarized the records of performance of the section, division, department, and the company as a whole. The figures may show only volume but the best also measure cost and quality in terms of speed and accuracy. A description of such records is given in a previous book, *The Office Supervisor, His Relations to Persons and to Work*.

If a system of company controls is not in effect, the junior administrator should study the possibilities for his own department and work out appropriate measures to guide him in his present observation of results and in his plans for the future. Measures for each section and function should be gathered; a picture should be developed for each division and for the department as a whole.

The reports should be simple and should be promptly prepared, preferably as a by-product of other work. Existing records can usually be adapted, or new data gathered at points where but little additional work is required. Records from the past should be saved so that comparison over the years is possible. The seasonal trend, for instance, is seldom given accurately through comparison to the previous year only, whereas a glance at several preceding years shows up more clearly the beginning and end of a rise or fall. Records for past years are especially valuable in a department which is growing, since comparisons can form a basis for proof that additions to the staff can be justified or that unit costs have been lowered.

The junior administrator may wish weekly or monthly records for his own use or he may desire merely a summary from time to time. Comments should be affixed, pointing out unusual conditions and giving explanations. He himself should look regularly at the most important reports and follow the trend of them. Comparative statements should be prepared for him from time to time or periodically, but if he does not actually use them they should be discontinued.

Any departure from the expected trend should be investigated promptly to see if any steps should be taken. Watching performance over the months and years gives a sound basis for future planning and for checking up on weaknesses. "You don't read a steam gage only once," said a business executive, "neither do you get proper control by making only occasional studies of results in business."

Control reports provide the junior administrator with facts by which to judge his subordinate supervisors. Not always is the showiest man the soundest: good self-advertising may cover up many faults. But records of speed of handling, of accuracy, and of lowered costs reflect efficiency.

Reports which are available to the supervisors, especially when they are mutually comparable, are a great incentive to efficiency.

In a "unit" set-up, the officer in charge had monthly figures on the standing of each of five units. Each supervisor had a copy of the report, which was received with excitement and watched diligently. Any man seeming to run behind the others in the measures of efficiency felt he needed to know why, and to take immediate steps to bring himself back in line.

COORDINATION AND COOPERATION

As a company grows, the increases of size and complexity cause differentiation through subdivision, delegation, and specialization. These necessary forces split the organization into parts and divide the work into functions under different men of varying abilities and character. Unless great care is taken to counterbalance the divisive tendencies with integra-

COORDINATION AND COOPERATION
IN A
LARGE ORGANIZATION

Problems are created because

Growing size of organization
and
Growing complexity of
Product
Personnel
Legal restrictions
General economic conditions

cause

Differentiation
Subdivision
Delegation
Specialization

which in turn lead to

Compartmentalization

Lack of understanding
Ignorance of what people think
Ignorance of what is done

Lack of cooperation
Sometimes rivalry and jealousy

Confused set-up

Too much centralization or
decentralization

Dearth of persons with broad view

Personnel difficulties
Personal capacity not equal to
responsibility
Salaries out of line
Promotional opportunities un-
equal
Blind-alley jobs
Morale factors not sufficiently
stressed

Coordination and cooperation are achieved by

Clear set-up along reasonable lines
Closeness of the official group
Delegation of responsibility and authority
Definition of responsibilities

Span of control

Not too many reporting to one officer
Enough levels of supervision

Crosswise relationships

Frequent interdepartmental contact on
related work
Conferences of supervisors

Communications, formal and informal

Memos and bulletins
House organs
The "grapevine" (when properly used)

Staff assistants

Specialized resources and permeating
functions

Personnel division
Planning division
Control division
Control reports of performance
Library

Outside resources

Attendance at trade and professional
associations
Intercompany visits
Outside consultants

Personnel development

Selection
Training
Transfer
Promotion and understudy system
Job classification
Individual rating
Salary standardization
Cultivation of suggestions

FIGURE 6.—DIFFERENTIATION AND COORDINATION

tive ones, the unity of the organization in working toward a common purpose is seriously interfered with.

Figure 6 gives a synopsis of the divisive tendencies and of the dangers to which they lead; and on the other hand the means by which coordination and cooperation are achieved. Middle management, because of its position, is greatly concerned with the building up of the coordinative forces and in preserving or recreating the unity of purpose and of activity essential to the accomplishment of the company's objectives.

Coordination as a conscious effort is less, the greater the natural lines of association which tie the organization together. When those affected participate naturally in the framing of plans, their execution and follow-through, coordination is not labeled, any more than we are conscious of the constant breathing which sustains our bodies. Therefore most is generally said about coordination in organizations where its insufficiency is obvious.

CHAPTER XIII

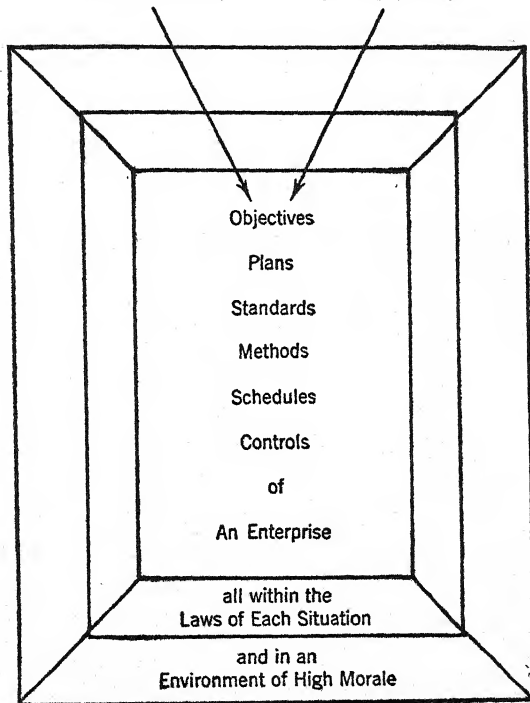
SCIENTIFIC MANAGEMENT AND HUMAN RELATIONS

THE task of management as given in Chapter II can be put in the still broader setting of "scientific management." This term is applied to the philosophy, principles and methods of management, as a consistent body of thought developed by Frederick W. Taylor and the group of thinkers which gathered around him. While American industry and government have used many of the techniques of scientific management, there are still relatively few organizations which have attempted to apply in a thorough and scientific way what is known about management. However, the number of persons seeking to do so is growing continually.

"Scientific management," according to Dr. Harlow S. Person, Morris L. Cooke, and Dan M. Braum, "exists primarily as a concept and a mental attitude toward achievement. It exercises a basic systematic technique for discovering and establishing objectives, plans, standards, methods, schedules, and controls of an enterprise, all within the laws of each situation and in an environment of high morale. It thereby exemplifies the best use of human and material energy." This description is illustrated in Figure 7. Here the objectives, plans, standards, methods, schedules and controls—the specific tools of management—are set forth as a picture which is framed by the laws of the situation. These laws cover equally the physical and human laws which apply in the situation. They include engineering; economic facts; and the social factors which do so much to determine the conduct and success of any enterprise. An organization can escape the impact of a spiral of inflation no more than

SCIENTIFIC MANAGEMENT EXERCISES BASIC SYSTEMATIC TECHNIQUE

for
DISCOVERING and ESTABLISHING



and thereby exemplifies

THE BEST USE OF HUMAN AND MATERIAL ENERGY

Figure 7.—SCIENTIFIC MANAGEMENT

Defined by Dr. Harlow S. Person, Morris L. Cooke, and Dan M. Braum, and
charted by Mr. Braum

it can avoid the effect of obsolescence of machinery or exhaustion of mineral reserves in its properties. It is governed by the statutes of the land, and equally by the social attitudes which press in upon it. The enactment of the Taft-Hartley Act, for instance, reflects a change in thinking which has the force of a social fact, whatever view an individual may take as to its virtue or wisdom. Within the laws of the situation, the organization can form its objectives and plans. The swiftness and ingenuity of adaptation to new forces has much to do with the success or failure of the organization.

The outer side of the frame in the diagram is the environment of morale in the organization. Just as invention and engineering in the past have stepped up our capacity for production, so we have been learning that the temper of an organization—its morale—is an important determinant of the result.

"Morale," as defined by Alexander H. Leighton, "is the capacity of a group to pull together persistently and consistently for a common purpose." Dr. Leighton says morale depends on five factors which may be present or absent in varying degrees in a particular situation. Morale is like a table with five legs. The table can stand if one leg is sawed off. It may even stand on one leg alone if big enough and centrally located.

The five factors of morale, according to Dr. Leighton, are:

1. Confidence of individual members of a group in the purpose of the group.
2. Confidence of the different members of the group in the leadership at all levels, the ability of the leadership, and the concern of the leadership for them.
3. Confidence that members of the group have in the other members of the group, the feeling that they know what they are doing, that they will be loyal to the group, that the others will be there when the ball is passed to them.
4. Organizational efficiency which means two things. First are methods and operations—the formal organization which you see on the wall as an organization chart; the way the organization is set up, the way the orders are given, the way information is passed up and down, the way supplies are provided. Second, every organi-

zation has an informal organization which is usually just as important as the formal one and sometimes more so because when the formal organization is not working efficiently, very often the slack is taken up, or grease is applied, by the informal organization. The organizational efficiency of the group depends on the way it works—on the efficiency of its grapevine, whether it transmits information quickly and accurately, or whether it spreads rumor or confuses people; whether certain individuals are able to get together over coffee and agree what they are going to do before they set the machinery in motion. Such a thing is characteristic of all societies, whether they are industrial or governmental organizations or whether they are villages of Eskimos or Japanese. They all have the formal and informal organization. There is a con-
trapuntal relationship between the two.

5. The mental and emotional and physical health of the individuals who make up the group, producing the end result of the balance of work, rest and recreation. Very often this is considered the whole of morale. When somebody sets out to improve conditions, he may attack only this facet.

However, morale does not depend on any one of these facets alone, but on the preponderance of them present in the particular situation. Any one or two may be missing and you can still have good morale. Since morale depends on several of these factors rather than on one, you do not have to keep butting your head against the thing about which at the time you cannot do anything. You can turn your attention to strengthening the other sides of the morale system about which it is possible to do something. Thus you don't leave the legs of the table to the termites.

Alexander H. Leighton, *The Human Factor in Management*, Federal Personnel Council, Supplement to Council Meeting Summary, April 3, 1947.

CHAPTER XIV

THE JUNIOR ADMINISTRATOR AS LEADER

LEADERSHIP

BUSINESS is no longer a one-man show. The best leader is the "first among peers," not the Napoleonic type who rises on the backs of his fellows and uses his talents for purely personal advancement. In times past there have been many captains of industry of the latter mold. Personal ambition is excellent in its way but should be used in a manner which fits the group. A great spur to action and a dynamo of energy, it is valuable to the possessor and to his corporation, but when directed to selfish ends it can harm the finer values of the organization. "Each man for himself and the devil take the hindmost" is an inappropriate motto for complex social living.

There is a type of business leader who like the conductor of a symphony orchestra draws music out of others and unites them into a common harmony and rhythm. The conductor-leader may be of two varieties, the man who leads by his strong personal influence over others or the one who seems not to exercise any personal influence but rather to see things impersonally. Both types have their values. The man with personal influence over others sees so clearly what is needed and what he himself wants that he pulls others along with him. He has a magnetic personality, and his "Come on, boys!" is followed by an enthusiastic response. People put forth their efforts because they are swung by the infectious quality of his own vision into accepting his ideas. If his own character is not too domineering he makes an excellent leader of men. On his death or retirement he is deeply mourned: the organization may lack its usual pep and may

be some while in regaining its momentum under new leadership.

Another type, however, leads without exerting personal influence on people, but rather draws out of them their own best faculties. He has a strong respect for the ideas and personalities of others and does not seek to impose his own will on them. He takes his place primarily as a coordinator of the ideas of others. His own ideas may be good but he wishes and expects his contribution to be criticized, improved, and added to by others. His own personality is characterized by a quiet force, often not apparent to the casual acquaintance. In the words of an outstanding business executive, "Older methods of management by domination are already proving ineffective. I know from my own personal experience that the minute I begin to dominate I lose my power because I build up resistance which reduces my effectiveness." (Robert B. Wolf, Conference #13, page 7, Course of the Bureau of Personnel Administration, New York, 1938.)

A chief executive held a meeting of his major officers to discuss important proposals for change. He drew forth the ideas of each. He then added an independent idea in a contemplative and quiet manner. "It seems to me we might . . ." was his phraseology. His idea was endorsed, not because he was chief nor because he compelled acceptance by the power of his personality but because the contribution appealed to all as the best solution of their discussion.

On other occasions, this man took a decisive stand when some issue was at stake. His customary manner, however, was to ask and weigh the advice of others, holding himself ready to state also what occurred to his own fine mind.

The integrative type of leader regards the company as an organism rather than as a series of entirely separate individuals. He is aware of a group consciousness which is bound together by common ideals and a reciprocal wish for the progress of the institution and for the good of all. He himself points up this consciousness, and seeks to release the energies of the individuals so that at the same time they advance the corporate aims and fulfill wisely their personal

destinies. Although he works primarily for the group he is often singularly sensitive to the claims and potentialities of individuals. He does not violate the personality of others through a personal dominance or opposition although at times he may oppose strongly what they stand for.

He looks for the varying capacities of people in order to give them appropriate opportunities. He knows that all men are human and have faults, is tolerant of their shortcomings, and seeks to guide them into the use of their own constructive instincts. Many people in an office are rather passive and have much inertia. When their inner drives are appealed to they give forth their energies gladly. The more active sometimes fall into a misuse of their faculties. By appreciation of their powers he diminishes the energy which can flow into selfish or mischievous activities. One of the most potent services he renders is to see a man's strong points and to mirror these to him so clearly that faults sink into insignificance. Under constructive criticism, faults sometimes melt away like snow in the spring sunshine. He draws people along with the power of appreciation and affection.

Under such a leader younger men are fired with ambition, able people are developed in a steady succession for use in the organization, people of moderate abilities are happy members of a working team, and even those who are dull and unambitious have a sense of accomplishment and satisfaction in the performance of routine tasks fitted to their humble abilities.

Experience with such conditions inspires confidence that the pattern of working organizations can be made to accord with ideals.

"I love my work," remarked an elderly woman whose daily work consisted of examining checks to see they accorded with check requisitions. "There is always something new. I watch for unusual names, and you would be surprised how many I catch."

"You just don't know what a grand person Mr. Alexander is until you work with him yourself," said a man in his thirties, speaking of a senior officer. "He is a devil for work himself. But he

makes us eat it up too. If he talks with you for an hour about his plans you get so fired with enthusiasm that you cannot stop if you want to. I wouldn't take anything for my years working near him!"

"Yes, it is a good system," said a young woman of modest abilities in charge of a unit of machine work. "Mr. Yardley put it in himself. All I have to do is to keep it going. If there is any difficulty, I go straight to him. Of course, he is awfully busy now, but he always tells me how to meet my troubles."

The light shone from her eyes as she spoke of him.

The inspiration of a great leader is described in literature and tradition. Not every organization has the benefit of the exceptional human leader. Almost every company, however, has one or more leaders who inspire the affection and the enthusiasm of associates and subordinates. "The good manager of people is known by the enthusiasm of his subordinates and by the confidence of his superiors" (Henri Fayol, *Administration Industrielle et Générale*, Dunod, Paris, 1925, page 73). Ordway Tead once spoke of the personnel division as the "custodian of personality." The rare human leader in business is even more the custodian of the personality of the corporation. This personality is almost indefinable, but it is felt as a kind of corporate spirit of loyalty and of teamwork.

A supervisor once put it, "I have felt that the soul of this company was asleep. There was no inspiration here. Everything just drifted along in an accustomed manner. But since the new president has taken charge, there is a new atmosphere. When you ride in the elevator with him, he speaks to you as though you were human. There is nothing high-hat about him. You somehow feel that here is a man who knows and likes people. The attitude is even filtering down through some of the officers of the old regime."

Students of leadership seem to agree that one of the outstanding characteristics of the leader is the capacity to make men *want to do* their tasks, to inspire them with eagerness, enthusiasm, and persistence. The leader may use many different motives to accomplish this end. He may draw out the social motives which inhere in most individuals or appeal to motives of pure self-interest such as the desire for personal

advancement and profit; or to the wish for accomplishment and constructivity; or to some sort of fear, the fear of injuring the group or of not succeeding personally or of being ill-thought of, or of losing the job. Motives should be used selectively, depending on the individual dealt with.

Certain common motives can be used to affect groups. The mob is swayed by survivals of a primitive herd instinct and tends to act in subhuman ways. The demagogue uses these all too frequently; intellectually he talks down to the ignorant and stupid; emotionally he appeals to the baser emotions which have played such an historic role. The true leader, on the contrary, seeks to raise the plane of thinking, feeling, and acting to the best of which the group is capable; he includes appeals to self-interest which strike home to all human beings in one way or another, but he also touches the wish for decent social behavior which inheres in all normal individuals. Business has all too much taken the ground of the eighteenth and nineteenth century economists, that the "economic man" thinks primarily along utilitarian lines, seeking merely and always his own selfish ends; but it is learning that the whole man with all his ambitions, selfish and generous, practical and idealistic, individual and social, dwells in the business environment and gives to the business only according to what is called out of him. Fine organizations draw on the team spirit of men and use their social as well as their individual instincts and action patterns.

Every organization has need for a few men who have an awareness of group consciousness and who devote their attention to cultivating it. Men differ enormously in their native endowments in this awareness. It is a sensitivity which may be likened to that for music: the musical genius lives in a world of tone and rhythm; the person of average musical appreciation enjoys some type of music even if he cannot play or sing; but some who are gifted in some other line are lacking in or antagonistic to music. If a junior administrator lacks sensitivity to group atmosphere he can intellectually recognize those who have it, just as a tone-deaf person

realizes that music affords genuine interest and inspiration to others. He should seek out someone in his office environment who is gifted in the awareness of what helps and hurts the group and should seek information and aid from this person. As times goes on he may even find that his own awareness grows and that he comes to understand small indications of things going well or badly which before he would not have noticed. Before putting a solution to a problem into effect, he can test out in his own mind the reactions he can anticipate from various individuals in the group. The group reaction will be the sum of individual reactions plus a certain something which comes from the interaction of their feelings and thoughts. The habit of anticipating and checking reactions will build up skill even in a person who does not think he has the knack of dealing with groups.

OTHER CHARACTERISTICS OF THE BUSINESS LEADER

The outstanding administrators have certain qualities in common. They have a good intellectual grasp which can be applied to any particular problem arising in their sphere. They have common sense, good judgment, and insight into the relations among the factors in a situation. Their personalities are free of neuroticism and are balanced in emotional make-up. They are kindly and fair, with a sympathetic understanding of people and an affection for many different kinds of human beings. Patient and tolerant, they look for constructive points in others. They do not appear to find fault but their criticisms are sincere and well taken. They have the courage to face realities and to stand up for their convictions. Their equanimity, poise, and humor carry them through discouragement.

A few leaders one meets have all the characteristics outlined. Most men, however, even when they have risen to high posts, fall down in one particular or another. On balance, they are successful because of their strong points and in spite of their weaknesses.

The commonest failing, especially of younger administra-

tors, is difficulty in dealing with persons. They may appear cold and unsympathetic. They may lack human understanding or the appearance of liking people. They often fail to make a true contact with the average run of individual. They may be too strict or expect too much. These lacks in contacts with people are particularly common in the student type who has spent most of his time in thought and study. Once he becomes aware of his limitation he may go far in overcoming his handicap. He should give special attention to his human relations. He can follow the common rules of dealing with people, such as never reprimanding in public, never humiliating or belittling a person, not using sarcasm, trying to find the center of the other man's interest, seeking out his enthusiasms and his strong points, listening attentively to his views. He benefits from reading books on psychology. He does not have the "hail-fellow-well-met" attitude, but his own genuine consideration for the rights and opinions of others may earn him the respect and ultimately the affection of his staff.

One of the most respected and admired of junior administrators was a singularly reserved man. He did not kindle in talking with people, and had little to say. Always even-tempered and just, he was considerate in his treatment of all. His staff had the highest esteem for him, and valued the least word of commendation which came from his lips. People knew that here was a man who said little but meant much, who could always be trusted and relied upon.

A number of administrators of the reserved type stay too aloof from affairs and fail to perceive what is going on, either in morale or in the conduct of the work. They will benefit from suggestions previously made on how to listen and to observe.

Some men appear too strict, others too easygoing. Consistent behavior seems to be even more important than finding a due mean between discipline and leniency. A staff respects strictness when fairly administered, and will not usually impose much on an administrator whom they respect and admire. On the other hand, a man who is too dominant

is apt to suppress valuable qualities in his staff. They will take what he says rather than making their own contribution.

A fiery temper also restricts the expression of the staff. Rather than risk an executive's displeasure, a supervisor or clerk will curtail his initiative or cover up what he does. Fear of bawling out is a great dampener of effort.

One of the ablest administrators expected a great deal of his subordinates, and cross-questioned them minutely on any phase of the business. He was particularly annoyed when they began to give evasive answers or excuses, whereas he would take graciously a statement: "I do not know, but I will make it my business to find out." His temper was greatly feared, so much so that one of his chief assistants was seen running through a hall when summoned, rather than be a second later in his arrival.

A few people, however, knew how to take his outbursts. "I never worry if he does not like what I have done," one person said, "I wait till the storm is over. Then if I have been wrong, I say I am sorry and hope to do better next time; but if I think I am right, I tell him my reasons, and usually he will take them and be sorry he blamed me."

His temper cut down his own effectiveness and that of his staff, but his other qualities were sufficiently admired so that he continued to command the respect of his people.

The appearance of being under pressure is a common sin of the junior administrator, along with most other Americans. The great range of his duties makes enormous demands on his time. Usually he *is* under pressure. If he can refrain from showing it he will gain more from his staff in the long run. He can also be as considerate as possible about not wasting the time of others. Suggestions have been made for saving his time by regular appointments with his chief assistants and for other helps to personal and general efficiency.

Nervousness and tension are easily conveyed from one person to another and do much to impair office efficiency. The wise officer does his best not to communicate his own nerves.

An officer who had a difficult superior to deal with was sometimes so upset after a conference with his chief that his face showed strain and his digestion was affected. He learned to curb these effects by cultivating perspective and a sense of humor. "Things weren't so

pleasant today," he would remark to a friend, "but I am learning to take these affairs better. I guess I have learned either to keep quiet and wait for a more favorable time, or else to speak calmly and firmly with no doubt in my own mind that I am right. Funny, how these little upsets affect one! I am beginning to laugh at myself. If I can just hold on to my sense of humor, I am all right."

Persons in administrative positions who have not lived up to their jobs frequently suffer from one or more common failings. Some do not learn to think ahead or to take into account the reactions of their superiors or colleagues, or to see coming business developments. In such a case they cannot do their work unless either a superior or an assistant makes up the deficiency.

Some men are not big enough for the job; they may spend their time in fear of falling short, thus even further impairing their effectiveness, or they live in a fool's paradise of smugness and smallness. They would do better to recognize their shortcomings and to support themselves with able assistants to whom they accord a great deal of initiative and judgment.

Men who are volatile and changeable suffer from some basic instability of temperament and would do well to have psychological help to see if the neurosis can be cured. A man with a bad inferiority complex or a sense of insecurity or any one of a number of complexes is unlikely to succeed as an administrator and will probably not be personally happy even if he does succeed outwardly.

A lack of sincerity, a tendency to deceive, to play off one person or department against another, will damage loyalty and morale. Personal selfishness and ruthlessness also are incompatible with true business leadership. The man who is out for himself not only first but last and all the time will not build up loyalty in his subordinates or his colleagues and will usually not be trusted for long by his superiors. Modern business requires cooperation, even though it rewards outstanding personal accomplishment. No success is so secure as that which is based on mutual respect and confidence.

"There is only one of my men whom I do not fully trust," remarked a chief executive. "He is a little too slick. I notice he always takes sides with the person who, he thinks, is going to win the argument, and I have seen him change his mind when there seemed to be no reason except that his side was losing. The man has brains, but I cannot permanently use a person who is insincere, even when he is my own yes man."

Two men were being considered for a high executive position. "I think I am going to promote Phil," said the chief. "He is less able than Tom, and gets on less well with people, but I can always rely on his acting for the organization rather than for his own interest. Not that he is lacking in ambition; but there is a fineness about the man which gives everyone else fair play. Tom is a self-seeker—a likable chap, but if he can take advantage of a situation, he will, no matter who else suffers."

LEADERSHIP IN ACTION

The junior administrator occupies the coordinative position between the higher officers and those immediately charged with the running of the work, namely, the supervisors and the rank and file. He intelligently carries out the policies of the higher management; and when possible gives suggestions for improving and implementing them. He furnishes his superiors with information as to the working of their plans and the progress of both work and personnel; and he assists them as far as he can to bring about a successful, efficient, and happy organization.

To his subordinate supervisors he is a leader as well as a boss. As the link between the top management and themselves, he is responsible for transmitting an accurate interpretation of policy and for inspiring them with a will to carry it loyally into effect. Contrariwise, he is their spokesman in carrying upward suggestions, information, needs, and desires. He is one of the focal points in the meeting of minds which goes to make up a happy working group. He is the sponsor and trainer of the oncoming leaders. His own leadership is tested nowhere so much as in his capacity to develop men.

Not only must he deal with supervisors in charge of

others but also with the rank and file under his control. Their working lives will be happy to a large extent according to what opportunities he permits them. If he creates an atmosphere of tension; if he seems partial or unjust; if he tends to repress rather than to release their powers, they will not thrive. To be sure, he must deal with them through his supervisors for the most part; yet the spirit which he radiates may be the most significant single fact in their workaday environment.

A senior officer during the depression period was tense with the important decisions resting upon him and the imminence of unfavorable developments. Most of his subordinates caught from him this atmosphere of tension. In certain departments the rank and file were fearful about their jobs and became nervous and edgy.

A newly appointed junior administrator with unfailing patience and good cheer set about encouraging them. At first his own nerves caught the tension of his superiors. Little by little he insulated his subordinates from this and built up a calmer atmosphere in which his people worked hard, but without the jitters which others had.

Loyalty to the organization is for the rank and file to a large extent loyalty to their close supervisors. The supervisors represent the management to them. The officer, however, sets the atmosphere in which the supervisors work. If his own attitude is one of tolerant and sympathetic understanding and if all under him know his own humanity, supervisors will tend to follow in his own footsteps. He must, however, maintain a vigilance to see that they do so.

An officer who was deeply admired by the rank and file did not realize an unfortunate situation. The supervisor reporting to him delegated large powers to a division head in charge of two dozen or more clerks. The man was a tyrant, ruling through fear of discharge. The rank and file dared not appeal over his head to the officer. When the situation was finally uncovered, the higher management was amazed at the unhappiness which had prevailed and took steps to see that their own attitudes of justice and kindness were not offset by the domineering conduct of one supervisor.

The junior administrator cannot wisely leave the initiative to the rank and file to tell him of the shortcomings of the supervisors. They dare not, for the most part, take this

initiative. His own powers of observation must be cultivated to the point where he senses a working environment of friction, frustration, annoyance, or inertia. He can take occasion to mingle among his staff; he can listen for echoes of misunderstanding; he can make occasions for letting people blow off steam; he can study the morale in his different divisions, as suggested in Chapter VI.

The wise administrator uses his authority as little as he can, depending instead on advice, suasion, and suggestion. In the last analysis, whatever the formal authority, compliance will depend on the subordinate.

Authority lies always with him to whom it applies. Coercion creates a contrary illusion; but the use of force *ipso facto* destroys the authority postulated. . . . Many men have destroyed all authority as to themselves by dying rather than yield.

Chester I. Barnard, *The Functions of the Executive*,
Harvard University Press, Cambridge, Massachusetts,
1938, pages 183 and 184.

The office supervisor may have the power to discharge a clerk but he cannot force a clerk to carry out any single order, although he can often create a situation in which the carrying out of the order will be more pleasant (or less objectionable) than not carrying it out.

Regardless of where the resting place of final authority may be, there are two rather obvious prerequisites before a person can act upon an order which is given him:

1. He must understand the order.
2. He must be able to comply with it.

If I were to repeat the Arabic equivalent for "check every item of your work," no one would have blamed a clerk in an American office for failure to follow the order. If I had used English for my order, the clerk might put a checkmark after every figure which she wrote down, thinking that I wished a checkmark to indicate what she had done. Actually I might have meant that I wished her to check her results by doing the work twice, on different machines. In such a case, any authority I might have over her in theory would have been of no practical value, and some would say that it did not exist even in theory. It is surprising how many times orders are not carried out because their meaning is not really clear. In fact, much executive and supervisory work consists in making definite, for a particular department or division, the exact meaning and interpretation to be given to an order received from someone higher in the formal organization. The nearer the top one goes, the more general

are most of the orders and decisions. The nearer the bottom, the more necessary is a concrete order. Those with a broad view of the company are quite rightly more general in their orders than those whose work has more limited scope. The president of a large telephone company would not be the proper person to determine exactly where to put the poles for the long distance line between two towns. He might decide that there should be a direct line constructed between the two towns, that its capacity should be a certain amount with provision for doubling the capacity with little additional outlay. The general position of the poles would be determined by combining the knowledge and judgments or orders of many men. Finally, I would expect that the leader of the gang who dug the holes for the poles might be allowed to actually place the poles within a foot or so of the places designated for him, if he found a water main where he was supposed to dig.

Sometimes a high officer issues an order that all mail must be answered within a day, or within five days, or whatever appears to him to be reasonable. This seems like a simple order, but what does it mean? What is an answer? If an agent asks what would be the premium for a special form of policy, is it an answer, in the meaning of the officer's order, to write the agent and say that his letter has been received and will have prompt attention? If the department head interprets such an answer as complying with the order, what the officer wished may not be accomplished, and service to the field may be delayed by the extra time taken to write the acknowledgment. On the other hand, it may be impracticable for the actuarial department to calculate and check the special rate without delaying what seems to be more important work, and without the actuarial department's computation it will be impossible to answer the agent's letter by giving the desired rate. An acknowledgment is possible. An answer is not possible. In this case, the second condition for authority has been absent—the person receiving the letter could not comply with it.

I wish to quote again from Barnard: "There is no principle of executive conduct better established in good organizations than that orders will not be issued that cannot or will not be obeyed." (P. 167.) To do so destroys authority, discipline and morale. "This principle cannot ordinarily be formally admitted, or at least cannot be professed." (P. 168.) "Inexperienced persons take literally the current notions of authority and are then said 'not to know how to use authority' or 'to abuse authority.' Their superiors often profess the same beliefs about authority in the abstract, but their successful practice is easily observed to be inconsistent with their professions." (P. 168.)

Educating the clerks as to what their jobs are for, how what they do fits in with the work of others, and why it must be done, is an important way of making the exercise of authority much easier and less necessary. Do you realize also that when you give the reason

for an order, you may be taking the quickest way to make understandable what you wish? Unless you are understood, your order cannot have authority, even though you can fire your subordinate for being a blockhead.

Henry E. Niles, "Formal and Informal Organization in the Office," *NOMA Forum*, Vol. XV, No. 2, December, 1939, pages 29 and 30.

The importance of understanding is emphasized nowadays even in the army which people consider so rigid in discipline. Although obedience is inculcated with care, local initiative is necessary. An officer in concluding a course to army officers on the latest techniques in war finished with the comment, "There are no techniques in war." He went on to explain that though an officer must learn many techniques he must never be so bound to an acquired skill that he does not use the best means at hand for accomplishing a purpose. Similarly, a chief executive stated that when he had been in the field he used his initiative even if he did not have authority. "If I guessed wrong, I would have been through, but I had to give an answer on the spot."

Understanding, cooperation, teamwork, these are the foundation stones of morale, of efficiency, of loyalty, and of group happiness. When administration rests upon these foundations people will give freely of their thought, their skill, their lives. The administrator who bases his work on these foundations has some at least of the elements of leadership.

THE NEED FOR LEADERSHIP—A CHALLENGE TO MIDDLE MANAGEMENT

The American ideal calls for personal freedom, a good standard of living, and a voice in our common life. This ideal can be achieved only with the active cooperation of business in solving the economic, social, and political problems of our time. The provision of plenty rests on both business and agriculture. The efficient production of goods and services in business goes far toward creating a steady

demand for the basic commodities of the soil as well as of industry.

Aside from the running of the economic machine, business has a potent effect because it is the working environment of millions of citizens. Their satisfaction in their work has much to do with their citizenship. Not only may the maladjusted become centers of discontent, but even more, the opportunity which people have to express themselves in their work and in their group relations determines to a large extent whether they will be self-reliant and balanced members of the community. Democracy and liberty include freedom of association, freedom to do one's thinking, and freedom to rise according to one's ability and effort. The working life is not divided from the rest of living. Democracy conceivably might continue without free enterprise, for instance, under a system of cooperative production and distribution or under a liberal socialism. It is exceedingly doubtful, however, that free enterprise could continue without democracy, since Nazism, Fascism, and Communism which dispense with democracy leave little if any room for free enterprise either. Therefore the survival and development of our free institutions rests in high degree on business statesmanship. The public weal as well as private reward depend on the efficient and harmonious functioning of the economic machine.

We are part of a still unproved social experiment in living and working effectively in groups, under free enterprise and democratic institutions. These have risen in the world before but they did not endure. Slavery, serfdom, nomadic wandering, living behind walls in towns—these things have happened in history again and again. Our own effort has had several generations of results, based on centuries of the slow building up of western European freedom of trade and of life. Can we so establish ourselves that our civilization can endure and improve? The answer will probably be given during the lives of ourselves or of our children.

Our people are literate, educated, skilled not only with their hands but to a large extent with their brains. We have

a technology which can provide comforts to all. We have the highest standard of living in the world, more security, more freedom. But as long as we have a submerged third, as long as we have the specter of unemployment for more than ten million who want to work, we have not justified our expectations of America.

Top management has begun to take its part in social vision. The labor movement is going through growing pains. Middle management is emerging into a recognition of its part.

Thousands of men who are toiling as junior administrators to make their corporations happy and safe places in which to work are serving their times, as well as providing a better than average living for their own families and interesting and rewarding work for themselves. Not all have social vision but those who are doing what they can in their own walk in life are doing much as well for the body politic. They may be working primarily for personal ambition and the advancement of the family. They want a safe world for the enjoyment of their later years and for their children to live and work in. Running deep in the human spirit is also a longing to make things work, and to make a good social heritage not only for our own children but for others.

As individuals many of us get discouraged with "the petty done, the undone vast," and may think ourselves fools to strive so hard. Better, perhaps, to lie back and take our ease. Others don't work so hard. Why shouldn't *they* work? Why work so hard ourselves to avoid the mistakes they would make? Why not give more time to leisure, hobbies, family and social pleasures, rather than work twelve hours a day forty-eight or fifty weeks a year? Why? Because some of us are possessed with dynamic energy so that work we must; and because some of us have social vision.

Almost all Americans wish the coming of the American dream of plenty for all, beneath all the selfishness and laziness and cynicism about politics. They just don't see what

they personally can do about it. More would try if they thought they could succeed.

Every time a junior administrator thinks out what is the best course to follow with some stupid clerk who is a burden to his department, he is dealing with social forces which make for insanity, for fanaticism, and for political corruption. Every time he solves an individual problem in the right way, he is building up the organization on the foundation of justice. Every time he sets aside his own interest for the sake of the group, he is making possible an environment where social beings can function. Every time he makes a judgment not just on immediate expediency but on long-range results he is closer to sane social living for us all. Thus prices will not be raised or kept rigid when the benefit of lower costs should be passed on to the consumer nor will they be lightly lowered if cutthroat competition will result. Of course common sense must be used. It is of no benefit to stave off the cutting of employment by building up inventories if they will only add fuel to the devouring flame of depression. Of course profit must be sought, for it is not only the yardstick of success but also essential to continued operations. But in addition to profit an organization can seek for the social income of satisfaction, interest, cooperation, friendliness, and other constructive forces.

The man in middle management who spends his life making the business organism function harmoniously is doing a large share toward the realization of the American dream of plenty, security, liberty, and happiness for all.

APPENDIX

CLERICAL JOB CLASSIFICATION

GENERAL PRINCIPLES

The classification of clerical jobs presented in this appendix is based on the one developed by Dr. Marion A. Bills, Assistant Secretary of the Aetna Life and Affiliated Companies. Her original study was published in the *Journal of Personnel Research*, Vol. I, Numbers 8 and 9, December, 1922, and January, 1923. It has been applied with modifications in insurance companies and other clerical organizations. The Life Office Management Association has made detailed studies in the field of clerical job evaluation and salary administration, and has published M. A. Bills' classification in its reports.

The classification presented here is a modified form of M. A. Bills' work. Henry E. Niles and the author in their consulting work found that this form was easier to apply and to teach. This classification like the original is based on several general principles.

1. In most clerical operations there are three phases, the doing of the work, the checking of the work, and the supervising of the work; and each of these phases is a step higher than the preceding one. Some work requires no immediate or direct checking or else is checked at some later stage of the operations.

2. The degree of difficulty of a personal work job may be determined by the number and kind of decisions which have to be made; or by the number and kind of things that a person has to know in order to handle the job successfully. The clerical tasks of the lower classes are based on knowledge of definite and specific rules and include only work which is definitely covered by these rules. The jobs can be graded according to the number and difficulty of the rules to be applied. The clerical work of the higher classes demands an intensive knowledge of an entire field. Cases not specifically covered by rules and regulations are handled through information built up by special training or experience. The work can be graded as to

whether the field of information is limited or large, and whether technical or professional education or experience is required.

3. The difficulty of a supervisory job may be determined by the kind of work supervised and by the number of persons supervised. Two persons might be put in the same class when one supervised 40 routine workers of lower classes and the other supervised a small number of technical clerks. "Small" groups are those of less than 10 persons. "Large" groups are ordinarily those of 20 or more persons. Groups between 10 and 19 are either "large" or "small" depending upon the degree to which the work is diversified.

4. The individual is always classed by the highest type of work which he is called on to do as a regular part of his assignment. For instance, a section head may be in Class 8 because he is in charge of, say, nine clerks in Classes 6 and 7, but he himself may handle cases demanding knowledge of an intensive field falling in Class 9.

5. The demarcation between classes is arbitrary. One should picture a whole range of jobs graded from the lowest to the highest. Each class usually contains a number of jobs of varying degrees of difficulty. The difference between the highest job in Class 2 and the lowest in Class 3 may well be less than the difference between the lowest and highest within Class 3 itself. The line must be drawn somewhere, and it is not always easy to decide on which side of a line a definite job may fall. In salary administration, however, the ranges of salaries within each class make possible allowances for the degree of difficulty of the work.

CLERICAL JOB CLASSIFICATION

Class 1. Operations requiring the use of a limited number of definite rules, where only a regular and definite change is made in the material handled. Includes simple typing; simple filing; and handling of simple machines.

Class 2. Checking Class 1 operations, or doing them without subsequent check when inaccuracies would not be promptly found and easily remedied. Includes junior stenography; typing with minor portion of stenographic work; typing difficult statements; or junior dictating-machine work.

Class 3. Operations which require the use of a large number of definite and specific rules, and for which little or no selective judgment need be exercised to decide the particular rule for the particular case. Cases not specifically covered are referred to a supervisor or to

another clerk in a higher classification. Includes dictating-machine work covering usual transcription; and intermediate stenography.

Class 4. Checking Class 3 operations, or doing them without subsequent check when inaccuracies would not be promptly found and easily remedied. Includes senior stenography (special vocabulary may be required, medical, legal, etc.); work from difficult dictators.

Class 5. Supervision of work of Classes 1, 2, 3, or 4 in a small group. (Often supervision is rather limited.)

Class 6. Operations requiring the use of a large number of specific rules, or a number of sets of specific rules. Decisions may be made as to which rule or set of rules applies to a particular case. Cases not specifically covered are referred to a supervisor or to another clerk in a higher classification. Includes senior stenography with work content covering a wide range of rules; may include composition of own letters.

Class 7. Checking Class 6 operations, or doing them without subsequent check when inaccuracies would not be promptly found or easily remedied. Includes senior stenography with some secretarial work.

Class 8. Supervision of work of Class 1 or 2 in a large group; supervision of work in Classes 3, 4, 6, and 7. (Often a "section head.")

Class 9. Operations involving complete and intensive knowledge of a restricted field, and the taking of action on cases not definitely covered previously. Application of general rules to a specific case. Includes secretarial work.

Class 10. Checking Class 9 work, handling of papers where question has arisen or adjustment of difficulties is necessary, making of special calculations, or performing the more complex operations of Class 9.

Class 11. Supervision of a small group of work in Classes 9 or 10, or of a large group of lower-class work. (Often a "division head.")

Class 12. Operations requiring knowledge of the general principles of the business or of a profession. Operations of this class include work requiring professional training in law, medicine, actuarial science, etc., or the equivalent gained by experience. Not all professionally trained persons reach this class, but only those who are actively using their training in their work. The class includes men high in the sales organization or responsible for investment decisions, etc. Supervision of others in this class, of large groups in Classes 9 or 10, or of very large groups of lower work would usually

be included here. However, in a large company it may be desirable to divide this class into several different classes. In a smaller company splitting the class is not desirable since individual consideration must be given to every person falling in this class.

Application of Classification to Typists and Stenographers

Class 1. Simple typing.

Class 2. Difficult typing; may include minor portion of stenography.

Beginner's work on dictating machines (simple transcribing).

Stenography in junior positions. Only ordinary dictation and transcription. No special vocabulary. Knowledge of work content limited to a few simple rules.

Class 3. Usual work on dictating machines (not unusually difficult dictators nor complicated subject matter).

Intermediate stenography. Limited, special vocabulary. Knowledge of the work content may cover grasp of a considerable number of rules. Many stenographers in this group may do some clerical work along with their dictation. They may prepare letters of form type for the signature of others.

Class 4. Senior work on dictating machines (difficult dictators or subject matter) and senior stenography. Familiarity with work content covering many rules. Many stenographers in this group do some clerical work along with their dictation. Special vocabulary may be required, as medical, legal, etc.

Class 6. Senior stenography, familiarity with work content covering a wide range of rules; or adaptability in taking dictation intelligently from different dictators on a wide range of subjects; or composition of own letters other than form letters.

Class 7. Senior stenography with some secretarial work. Women in this class are stenographers to officers or to important department heads. They may meet the public or important persons on the staff; may to some extent arrange appointments for their chiefs; may keep special files or do special work for them, and undertake other secretarial duties which would fit them for the position of secretary. They may help the chief by preparing letters, etc.

Class 9. Secretarial work. No one should be included in this class simply because of the title of her chief. Real secretarial duties are designated.

The differentiation among classes of stenographers and secretaries

should not be according to the rank of the men for whom they work, but according to the difficulty of the work and their qualifications for performing it. The distinction between intermediate stenographers taking dictation from senior clerks and senior stenographers taking dictation from department heads is not necessarily valid in individual cases. A senior clerk may give exacting dictation covering technical work; a department head may have correspondence of fairly routine character.

Application of Classification to Filing Clerks

Class 1. Sorting for file, unless unusually complicated.

Pulling from file with a little searching but no discretion.

Preparing simple material for file (only a few rules).

Getting papers, etc., from those to whom they are charged, or looking for papers if not immediately located (not if they are hard to find).

Class 2. Filing into a large alphabetic file, or an important file where the exact order is important and responsibility for correctness of filing is assumed.

Preparing correspondence, etc., for file, when there is material needing check and where a moderate number of rules must be followed.

Looking for papers, etc., charged out, if not in a designated spot.

Going over papers, etc., for destruction, when only a few rules are to be followed and work is not checked.

Class 3. Searching files when careful scrutiny and discretion are necessary, as in looking for names in a large alphabetic file when variants must be looked for, when subject to check.

Class 4. Searching as above, when checking or not subject to check.

Preparing papers for file when there are many rules to be followed, not subject to check.

Going over papers for destruction when important material must be looked for or when there are many rules, and when work not subject to check.

Looking for papers, etc., if hard to locate; and arranging for their release by tact, etc.

Class 5. Head of filing section of work in Classes 1 to 4.

Classes 6 and 7. Work on specialized files, when there is a large number of files and experience is required (subject files, etc.). Locating material from such files.

Class 8. Supervising file clerks in Classes 6 and 7, or many in Classes 1 to 4.

Classes 9 and 10. Higher work than Class 7: for instance, complicated subject files in a research library; recommendations for destruction of important records.

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